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## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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NUCLEAR ACTIVIST SENATOR ESCORTED OUT OF CHAMBER

Perth THE WEST AUSTRALIAN in English 18 Jul 86 p 1

[Article by Kent Acott]

[Text]

**NUCLEAR disarmament senator Jo Vallentine was last night thrown out of State Parliament after trying to question the Premier, Mr Burke, from the public gallery.**

After she refused three requests by the Speaker of the Legislative Assembly, Mr Mike Barnett, to "cease disrupting the House", the police were called in to remove her.

Outside the Parliament, Senator Vallentine said that she was "pressured, pushed and kicked from behind" by a plain clothed policewoman who escorted her from the building.

Senator Vallentine's name and the name of another woman was taken by the police.

About 60 supporters of Senator Vallentine entered the chamber at 4.50pm. The police had been tipped off about their arrival and several, including at least three plain-clothed officers, were in the gallery.

Senator Vallentine rose at 5.35pm during question time to ask: "As the elected representative of 52,000 West Australians, I ask the Premier to release the port safety plan relating to the visits of nuclear-power-

nuclear accident could occur.

ed warships, because right now there are 12 nuclear reactors and dozens of nuclear weapons approaching Fremantle?"

She said she regretted using the parliamentary forum in "this unusual way."

## Safety

Senator Vallentine said that she had tried repeatedly to see the Premier but he had refused to talk to her. He had also refused to release the port safety plan.

As she continued her questions, MPs yelled for her to sit down.

However, she was clapped and cheered by her supporters who began slow hand-clapping as she was led from the chamber.

Later, she said that 12 nuclear reactors (U.S. warships) were approaching Fremantle and recent nuclear disasters — including Chernobyl — indicated that a

She said the obvious reason why the port safety plan would not be released was because there were no precautions that could be taken to prevent a nuclear accident.

Nuclear reactors on ships were more dangerous than reactors on land because they were mobile, confined to a small space and highly enriched, she said.

Mr Barnett later told reporters that Senator Vallentine's actions were reprehensible.

He would now be considering taking action against her. He would also establish a review of security at Parliament House as soon as possible.

"It is bad enough for a member of the public to do this sort of thing but for an elected parliamentarian to take up the time of elected members of the WA Parliament is a disgrace," Mr Barnett said.

# WHEAT PRODUCERS, HAWKE CLASH OVER U.S. GRAIN POLICY

Sydney THE AUSTRALIAN in English 23 Jul 86 p 2

[Article by Anthony Hey]

[Text]

THE Australian Government is in conflict with the producer organisation representing Australia's 45,000 wheat production units over a protest by the Prime Minister, Mr Hawke, to President Reagan over plans to extend the United States wheat subsidy program to the Soviet Union and China.

The Grains Council of Australia will argue a view opposite to that of the Government at a September meeting with its US counterpart - indicating either that Mr Hawke is being poorly briefed in the grain area or that he has failed to adequately consult the industry.

The fundamental policy difference between the Government and its grain sector is expected to undermine the country's negotiating credibility in future discussions on US grains policy.

Rather than support the protest line taken by the Prime Minister, grains council delegates to the meeting in Washington of the International Federation of Agricultural Producers are being briefed to argue forcefully that the only way to deal with the structural imbalance of the world grain market is to get rid of surplus world stocks by way of subsidised sales to the Soviet Union, China and other countries.

## Spiral

The irony of Mr Hawke's protest about subsidised sales of wheat is that Australia itself will be forced to subsidise its wheat producers, possibly by as much as \$10 a tonne for the 1986-87 harvest under the formula by which the Government guarantees the minimum price of wheat to producers.

Although Mr Hawke and other Australian negotiators won agreement from the US protecting the volume of Australian grain targeted for traditional markets, there has been no associated agreement on price. The sheer volume of stocks in the marketplace has seen prices for both grain sourced to traditional markets and US subsidised product tumble accordingly.

While the US has honoured its agreement by insisting that purchasers accept their usual volumes of grain from traditional markets before taking subsidised US grain, it has proceeded to swamp the markets of Algeria, Egypt, Iraq, Jordan, Morocco, the Philippines, Tunisia, Turkey, Yugoslavia, Zaire - and of most concern to Australia, Yemen and Sri Lanka - with 2.3 million tonnes of wheat and 340,000 tonnes of flour.

A Grains council economist, Mr Ray Jeffery, said his producer organisation's view was that Australian farmers

should be prepared to suffer the resultant downward spiral in world prices in order to see some sanity return to the marketplace.

The grains council will look to the multilateral trade negotiations to be held under the auspices of the General Agreement on Tariffs and Trade (GATT) later this year to ensure that agricultural subsidies are no longer exempt under GATT.

At the same time it will lobby to have the US and the European Community deal with the problems associated with their domestic grain programs to prevent subsidies and encouragement of grain production over and above market requirements.

US producers participating in an acreage reduction program are being subsidised \$100 a tonne over and above the world market price. Although required to set aside 30 per cent of their land to qualify for this subsidy, US farmers are leaving aside their worst land and boosting inputs on the balance in order to maintain total farm production.

EC producers are being subsidised between \$30 and \$50 a tonne over the world market price.

Surpluses held by Australia's four main competitors - the US, the EC, Argentina and Canada - stand at 140 million tonnes, or 40 to 50 per cent more than world requirements.

Mr Jeffery estimates that if the US and EC took adequate measures to control their domestic production programs, it could take three

years or more to clear surplus stocks. If domestic control measures are inadequate, the time span is expected to be more than seven years.

Grains council delegates, president Mr Mick Charles, of NSW, and the president of the National Farmers Federation, Mr Ian McLachlan, will be briefed to make clear to producer organisations representing the US and the EC that Australian producers will not be party to mooted production controls or market sharing arrangements.

The inevitable Australian subsidy for the 1986-87 wheat crop will come about as a result of the Australian Government's complicated Guaranteed Minimum Price (GMP) wheat arrangement with the Australian Wheat Board and producers.

### Support

The GMP calculation uses the average of the two lowest of the previous three years' market returns, combined with the estimated market returns for the subject year. And the 1985-86 market prices, in the range \$US100-\$US140 a tonne, will inflate the calculation thanks to the Australian Wheat Board's impressive sales performance before the slump in world wheat prices.

It serves as a built-in support mechanism when prices decline substantially, as inevitably they will do for the 1986-87 wheat growing season.

April-May world prices of around \$US135 a tonne have slumped to \$US100, and may yet fall as low as \$US85 for Australian Standard White.



## FOREIGN INVESTMENT GUIDELINES UNDER REVIEW

Sydney THE SYDNEY MORNING HERALD in English 21 Jul 86 p 1

[Article by Peter Hartcher]

[Text]

CANBERRA: The Federal Government's Foreign Investment Review Board is under review and could be abolished as a stimulus to foreign investment.

The FIRB and its guidelines are being examined by the Government's Business Regulation Review Unit, whose function is to recommend deregulation wherever possible.

The abolition of the 10-year-old Fraser Government invention would have a very small Budgetary effect, saving the Commonwealth only \$1.3 million, but would be an important encouragement to foreign investors.

The Hawke Government has relaxed considerably its foreign investment policy, which the FIRB administers, but a growing chorus including the former Premier, Mr Wran, and the Westpac Banking Corporation demand an end to the FIRB.

According to these critics, Australia needs to encourage foreign investment to revitalise industry and to slow the growth of its foreign borrowings.

The Hawke Government repeatedly has made exceptions to

its foreign investment guidelines to allow major foreign investments.

Its leniency is reflected in the approval rate; in 1984-85, 97.4 per cent of the 1,216 foreign investments proposed were approved.

In the past six months the abolition of the FIRB and its guidelines has also been demanded by the Institute of Urban Studies, the chairman of Elders-IXL Ltd, Mr John Elliott, two of Australia's best-known Asian businessmen, Mr Lee Ming Tee and Mr Jack Chia, and the leader of the Federal Opposition, Mr Howard.

Westpac's latest economic review, issued yesterday, says it is imperative for Australia to attract large amounts of long-term equity capital if its foreign debt problem is to be solved.

Foreign investment in the 1950s and 1960s had safeguarded Australia's balance of payments; even though Australia suffered big current account deficits, this had been offset by a long-term investment inflow.

Westpac says: "Whatever the nationalistic arguments in favour

of such a body in the 1970s, they are irrelevant now."

Mr Wran broke his usual interventionist inclination to say: "One of the first things the Federal Treasurer ought to do is get rid of the FIRB... Whether you are in London, New York or any of the financial capitals, the FIRB is regarded as an unnecessary impediment, a bureaucratic impediment, to free investment in Australia."

While the deregulatory mood of 1986 appears to favour the dismantling of the FIRB, the staff of the Treasurer, Mr Keating, defended the board publicly earlier this year.

As for foreign investors themselves, two-thirds of foreign companies with Australian property investments believe the FIRB guidelines constrain their investment decisions, according to a survey by the Institute of Urban Studies.

Through a survey of Australian consultants, financiers and law firms, the institute claimed to have discovered that 330 serious foreign investment proposals had been abandoned because of FIRB rules.



# RESERVE BANK \$1 BILLION WINDFALL AIDS BUDGET

Melbourne THE AGE in English 19 Jul 86 p 1

[Article by Robert Garran]

[Text]

CANBERRA. — The Federal Government is expected to pick up a windfall gain of about \$1000 million on foreign currency sales, which will significantly ease its belt-tightening task in the coming budget.

The gain comes from the profit made by the Reserve Bank on sales of Australia's foreign exchange reserves as part of its intervention in the currency market.

During the past financial year the Reserve Bank has sold reserves, including US dollar Treasury bonds, which it had bought at a lower price when the Australian dollar was much stronger. This gave the central bank big gains, which will be passed to the Government's coffers.

Australia's foreign exchange reserves were built up considerably before the dollar was floated in 1983. Under the fixed exchange rate system the Reserve Bank was forced to buy foreign currency whenever money flooded into the country.

Since the dollar was floated the Reserve Bank has drawn on these reserves to buy back Australian dollars at times when the currency has been under pressure.

As the Australian dollar has fallen significantly since 1983, from about \$1US to 83 US cents, the Reserve Bank makes a big profit whenever it sells foreign currency bought at that time.

In last year's budget the Government gained an extra \$800 million in revenue from Reserve Bank profits, mainly on foreign exchange dealings. This year the windfall is expected to be significantly greater, according to sources close to the Government.

The Reserve Bank sold about \$2.1 billion of foreign reserves in 1985-86, compared with \$1.52 billion the previous year. The currency fell from 65.0 at the end of June 1985 on the trade weighted index, which compares the Australian currency with those of our trading partners, to 56.3 in June 1986. This was a fall of 13.4 per cent. This has further lifted the

Reserve Bank's profits from sales of foreign currency.

Financial market observers say the sales of Australia's foreign currency reserves do not yet pose a problem for the Government, as reserves are still at a healthy level. However if sales were continued at present rates the reserves could fall to levels which would cause concern.

Australia's foreign currency reserves have fallen significantly measured in other currencies, but because of the fall of the Australian dollar these reserves have fallen only slightly measured in the local currency. At the end of June 1986 reserves stood at \$13 billion, compared with \$13.5 billion the previous year.

The profit is no different to one made by a home buyer who buys a house (or foreign currency asset) at a low price, and sells it later for more.

Each year the Reserve Bank makes a transfer of profits to the Government, which become part of Government revenue.

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CSO: 4200/1287

OUTLOOK FOR BUSINESS INVESTMENT 'GRIM'

Sydney THE SYDNEY MORNING HERALD in English 18 Jul 86 p 17

[Article by Steve Burrell]

[Text]

The outlook for business investment remains grim, with figures released yesterday pointing to little real growth this financial year.

The figures, from a survey of business during April and May, show that investment is likely to rise by only 8 per cent in nominal terms in 1986-87 — meaning either a fall or minimal growth after adjustment for price increases.

Investment prospects in the crucial manufacturing sector also are poor, with a fall in real terms of up to 3 per cent expected this year.

Significantly, business expectations failed to follow the pattern of recent years and showed little improvement on the previous survey taken in December.

The last time this happened was in the March 1982 survey, which preceded the recession.

If this pattern is repeated, as the slowdown in the economy and uncertainty undermine business confidence, investment performance could worsen considerably.

Business economists point to low returns on plant and equipment compared to fixed-interest securities as a reason for the poor figures.

They say a fall in interest rates and continued wage restraint are necessary to lift investment.

The figures are a disappointment for the Government, which hoped for evidence of stronger investment and growing confidence in response to business opportunities created by the fall in the Australian dollar.

But Government spokesmen were guardedly optimistic last night, pointing to upward revisions of the preliminary figures released in May as evidence of some improvement in business confidence.

They questioned the Statistician's 8 per cent growth figure, saying that on the basis of the pattern of expectations over the past 10 years, investment growth was likely to exceed 10 per cent this financial year. After adjustment for inflation, this could give real growth of 3 to 4 per cent.

They conceded, however, that this rate of growth would be insufficient to underpin renewed economic growth and further reductions in employment.

The figures show a fall in private investment in the March quarter of

1 per cent after adjustment for inflation and seasonal factors.

This follows a fall of almost 3 per cent in the previous quarter.

When compared with the previous half-year the situation appears even grimmer, with capital expenditure falling at an annual rate of almost 2 per cent in real terms.

The overall fall was due to a sharp drop in investment in plant and equipment, which fell 2 per cent over the quarter and an alarming annual rate 11.3 per cent over the previous six months.

Investment in buildings rose by 2.6 per cent over the quarter, propping up the otherwise disappointing figures.

The survey shows manufacturing investment was very weak, falling 3 per cent in the quarter before allowing for inflation.

A rise of only 5 per cent is expected this financial year, a decline of 2 to 3 per cent in real terms.

This is another blow for the Government, which is looking to the manufacturing sector to lead the way in any investment recovery.

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CSO: 4200/1287

SYDNEY EDITORIAL DECRIES SUBSIDIZED FOOD EXPORTS

Sydney THE AUSTRALIAN in English 23 Jul 86 p 12

[Editorial: "Wheat Mountain a Lesson to World"]

[Text]

THE Federal Government's protest against moves within the United States to sell subsidised American wheat to the Soviet Union and China is a restatement of the Australian position that by growing subsidised food the world is pursuing an irrational course which in the long term will seriously damage efficient food producers and ultimately lead to higher food prices for everyone.

As one of the most efficient producers of food in the world Australia suffers particularly from the European Community's apparent determination to protect its own inefficient agricultural industries.

However, the Grains Council of Australia has distanced itself from the Federal Government by arguing that the world surplus of grain must be traded away, and then the leading grain producers should take steps to ensure that this kind of surplus does not arise again. The United States Government is moving in this direction by tying its subsidies to decreased production on the part of American farmers.

The Grains Council and the Federal Government agree on the insanity of the widespread subsidised grain

production of the European Community and the possibility of such a trend emerging in the United States. Where they differ is only on how best to combat this trend. The underlying principle is that nations should not subsidise agricultural production for export sales, dumping their produce at below production costs onto other nations' markets.

This is a type of protectionism which inevitably leads to retaliatory actions by other countries. A distinguishing feature of the Great Depression was a radical decline in world trade and an accompanying rise in protectionism. The whole world benefits from having relatively free trade in which the countries which are the most efficient producers of various products are encouraged to produce them.

Subsidised food production penalises the efficient and rewards the inefficient. While there may be differences over short-term tactics, the Government is right to keep pushing this argument as hard and as often as possible. In particular, the European Community should be made to realise the short-term and counter-productive nature of policies which in effect encourage dumping.

At the same time we must look to ways of making Australian primary industry even more competitive. Frequently, Australia's primary industries are able to offer superior quality of product which can be a way of overcoming short-term price advantages which our competitors may enjoy. More attention should be given to aggressive and creative marketing of Australian primary produce. And finally, through reform of the tax structure and the injection of greater flexibility into the wages system, our agricultural industries should be given the opportunity to reduce costs.

If the world's principal trading nations revert to protectionism and the policies of the Depression they will penalise not only Australia but their own people as well. This message must be argued as effectively as possible by Australia's political and rural leaders, and by all those who value the prosperity which can only be obtained through international trade.

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CSO: 4200/1287

## CAUCUS, MINISTERS VIEW ACROSS-THE-BOARD BUDGET CUTS

Sydney THE SYDNEY MORNING HERALD in English 23 Jul 86 p 1

[Article by Mike Stekotee]

[Text]

CANBERRA: The Cabinet's Razor Gang has slashed hundreds of millions of dollars across-the-board from Government programs in the toughest budgetary action since coming to office.

Big cuts are believed to have been made in recent days in defence, transport, health, biennial programs and foreign aid.

There have been savings in scores of other areas, and more are under consideration.

Leading members of the Labor Caucus threatened a revolt yesterday over cuts in the welfare sector.

The Expenditure Review Committee (ERC) of Cabinet has examined 50 individual items over the last two days as it finalises recommendations for the full Cabinet.

The Cabinet is due to sit for several days this week to make the main decisions aimed at producing a Budget on August 19 with a deficit of around \$5 billion.

The Minister for Defence, Mr Beazley, spent several hours before the ERC on Monday night fighting against further cuts which will slow the growth in the defence budget from 3.25 per cent in 1985-86 to below 1.5 per cent this year, and possibly as low as zero real growth.

Most of the savings in health are understood to be in areas other than Medicare. The Medicare rebate will not be reduced from its present level of 85 per cent, and there has been no consideration of an increase in the Medicare levy, although this could still come in later Cabinet discussions on revenue.

Signs that there have been some torrid Cabinet battles came with delays of a day or more in ministers being called before the ERC.

The Minister for Social Security, Mr Howe, was one of the last ministers to face the ERC last night. He presented alternatives to the ERC's proposals, which would save more than \$300 million by deferring or discounting the November rise in pensions and other benefits, cutting family allowances, and postponing measures to alleviate poverty traps for pensioners.

Mr Gerry Hand, the president of the Victorian ALP and a key left-wing organiser in the Federal Caucus, said yesterday he had received repeated assurances that there would be no cuts in welfare, and he felt betrayed by persistent reports to the contrary.

He refused to say who had made the promise, but he was one

of the faction leaders to see the Prime Minister before his address to the nation last month. Mr Hawke told them welfare spending would be protected.

Mr Howe, in a strongly worded statement, said measures such as those being contemplated would be "an unforgivable attack on the poor".

"I feel the Government, if it makes these cuts, would be letting down a major and most disadvantaged section of its constituency.

"Already, I have been contacted by an unusually high number of individuals and organisations who are concerned, even panicked, by the prospect of welfare cuts."

Mr Hand said he intended registering "the strongest possible protest" to Cabinet over the next few weeks if reports of the welfare cuts proved correct.

He will be writing to all members of the Cabinet and the Caucus.

Left-wing MPs have been discussing collective action such as asking for a special meeting of the Caucus or making some other form of co-ordinated protest.

The concern extends beyond the Left, with the convenor of the Centre Left faction, Senator Peter Cook, saying there could be a case for directing welfare spending at the needy, but there was no justification for reducing the overall welfare budget. The Government's first priority had to be the support of the poorest members of the community.

Senator Cook said he would prefer to see the income tax cuts scheduled in September postponed rather than welfare cuts.

It is understood that cuts of up to \$10 million have been made in \$60 million worth of spending planned for 1986-87 by the Australian Bicentennial Authority.

Mr Hawke repeated yesterday that the Budget would be "very tough".

But he said he would not be following the advice of *The Sydney Morning Herald's* columnist, Maximilian Walsh, of calling a snap election before the economy deteriorated.

"I have clearly stated that as far as this Parliament is concerned, it will go its full term," he said.

"I can assure you that my mind has not changed."

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CSO: 4200/1287

OIL DRILLING UNDER THREAT FROM EXPECTED PRICE CUTS

Sydney THE AUSTRALIAN in English 22 Jul 86 p 13

[Article by Mike Secombe]

[Text]

**AN EXPECTED** drop in the Government's parity price for Australian oil threatens to dry up all onshore exploratory drilling, industry sources said yesterday.

Already, of a total of 46 operable exploration rigs in the country, only three are now active in new work. Another two are engaged in "work over operations". On previously drilled areas, 41 are idle.

Activity among offshore drilling vessels also has fallen dramatically. In March this year, all but one of the available eight rigs were actively engaged. As of last month, only three still were drilling, two others were idle and another three had been laid up.

The statistics, from the weekly report of the Australian Petroleum Exploration Association (APEA), indicate how severely the world slump in prices has hit the industry.

Cabinet yesterday reconsidered the price of locally produced oil. No announcement of a decision has been made, but over recent months the

parity price has been adjusted downwards in line with falls in the international price of oil.

The international parity price, which is worked out on a formula based on the average price of a basket of four other light crude oils similar to that produced in Australia, has stood at \$12.73 a barrel since July 1.

The July figure was a decrease of \$1.31 from the June price.

At the time the present price was set, the average spot price was \$US10.72. Average prices during the past week have fallen by several dollars, to average about \$US8 to \$US9.

If the parity price follows the overseas drop, as it has in the past, a couple of dollars can be expected to be cut from the price of Australian crude.

Industry sources said yesterday that exploration contractors around the country were going broke.

"A lot of experienced staff have had to be laid off from drilling teams, seismic crews,

and the service industries which work around these exploration teams," one spokesman said.

"These people are moving out of the industry and the chances are we may not get them back, if and when the recovery occurs, probably in a couple of years' time."

Industry sources expect a recovery in international prices may still be a year or two away, depending on the attitude of the Organisation of Petroleum Exporting Countries (OPEC) to reducing the present oversupply situation.

Australia has known reserves to last about 10 years. A shortfall of supplies predicted in the late '80s or early '90s would become much more dramatic than previously expected if the exploration program continues its downturn, the spokesman said.

The APEA report also shows that of the total of 22 seismic crews available onshore and offshore in Australia only nine are presently active, while 13 are idle.

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CSO: 4200/1287



# POOR NICKEL PRICES FORCE MINE CLOSURES

Sydney THE SYDNEY MORNING HERALD in English 18 Jul 86 p 17

[Article by Paul McGeough]

[Text]

Collapsed international commodity prices have knocked out yet another major Australian mining operation — BP Australia and MIM Holdings will announce in the next few days the closure of their Agnew nickel mine in Western Australia.

The decision comes hard on the heels of Western Mining Corporation's closure of five of its WA nickel mines.

The Agnew partners have been considering for some time investing \$16 million in a new, more efficient open-cut operation at Agnew. But a visit to Perth this week by BP's director of coal and minerals, Mr John Austin, has confirmed the "mothballs" option.

The West Australian Government is believed to have been told of the decision, which will put more than 350 people out of work — but it was the *Sydney Morning Herald* which broke the news to WA unions.

The operators of the mine, 240 kilometres north of Kalgoorlie, have kept to themselves figures on accumulated losses.

However, it is believed that BP had lent \$111 million to the project — on top of other debts — by the time it was decided to wind up the then operating company, Seltrust Holdings Ltd, in 1984.

In the last year, losses are said to have been as high as \$20 million.

In Perth last night, Mr Austin said that information on the mine would be released in "due course".

It was premature to make any comment, but information could arrive in newsrooms as early as today, he said.

In a commodities market in which gold is the only shiner, Agnew's demise has been hastened by the added cost of operating underground.

Agnew was discovered in 1971 and by late 1972 a \$400 million development to produce 30,000 tonnes of contained nickel a year was planned.

But low nickel prices delayed commercial production at the mine until 1979 and within a couple of years of start-up, prices once again started to fade.

In the past 12 months the price of nickel on world markets has dropped from \$US2.40 a pound to \$US1.75, well below the production costs for most operations.

Agnew, one of the world's richest deposits of nickel sulphide and with annual production of 10,000 tonnes of concentrate, came to light during the 1960s nickel boom, but it was almost another decade before the London-based Selection Trust, in partnership with MIM, brought it on-line.

A smart new town, Leinster — which also will go into mothballs — was built near the mine, but the future never looked good.

By 1982, significant losses were being chalked up and BP had acquired 75 per cent of the shares by buying out Selection Trust.

Workers in the town had been looking to the development of the planned 600,000 to 800,000 tonne-a-year open-cut operation as a guarantee for their future.

Last night, the WA secretary of the Australian Workers' Union, Mr Joe Keenan, said there had been "rumblings" on the future of the project and that there had

been some talks on redundancy.

But, he said he had been "talking to the officials only 15 minutes ago, and they knew nothing of this".

"This is sad news. After the loss of 190 jobs at Kambalda, I don't know where we are going to put another 350 blokes."

The dissolution of Seltrust began almost two years ago, but fighting between BP and the minority shareholders dragged on until early this year.

The settlement gave the minority holders 9.5 per cent of BP's 60 per cent stake by the establishment of Paragon Resources NL. MIM holds 40 per cent.

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CSO: 4200/1287

DEFENSE STRATEGIST CALLS FOR MORE F/A-18 FIGHTERCRRAFT

Sydney THE SYDNEY MORNING HERALD in English 19 Jul 86 p 4

[Article by Patrick Walters]

[Text]

**CANBERRA:** Australia's defence planners must consider buying at least an extra 25 F/A-18 fighters to preserve the RAAF's land strike capability, a leading defence strategist, Dr Desmond Ball, said yesterday.

Dr Ball, the head of the Strategic and Defence Studies Centre at the Australian National University, said it was a matter of great concern that the Government appeared to have paid insufficient attention to the RAAF's future long-range land-strike capabilities.

He said the Government should be prepared to acquire additional enhanced F/A-18s by mid-1989 at the latest. This would mean that the production line at the Government Aircraft Factories could be kept open until 1992.

Giving the concluding address at a conference on air power at the Australian National University,

Dr Ball said there were some critical deficiencies in Australia's air surveillance and air defence capabilities.

The Jindalee over-the-horizon radar system needed to become operational. But it also had to be complemented with an airborne early warning system.

Dr Ball said the Dibb Report on Australia's defence capabilities had given inadequate consideration to both the acquisition of airborne early warning aircraft and air-to-air refuelling.

He said the Dibb strategy of denial was an inadequate basis for force structure planning. The requirement for counter-offensive operations in lesser contingencies had not generally been appreciated by defence planners.

According to Dr Ball, infrastructure could be the single most important deficiency in Australia's defence posture.

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CSO: 4200/1287

BEAZLEY ORDERS MILITARY OUT OF STRIKE-BREAKING PLAN

Melbourne THE AGE in English 21 Jul 86 p 3

[Article by Margaret Simons]

[Text]

A contingency plan for using the military to break strikes in essential services was drawn up by the defence forces in 1982 and kept confidential because of its political sensitivity.

'Plan Cabriole' laid down procedures for using military personnel and equipment to break strikes affecting more than 20 areas, including fuel supplies, air transport, hospitals, the Bass Strait oil and gas industry and air traffic control.

The Minister for Defence, Mr Beazley, ordered that Plan Cabriole be abandoned last February. He said improvements in the industrial climate made it unnecessary. In a letter to defence chiefs, he said: "While noting that under the previous Government it may have been deemed necessary to have such a plan, I believe that Australia's industrial climate is now so much better that there is no requirement to do so."

The plan and Mr Beazley's letter have been released to 'The Age' under freedom of information legislation.

The introduction to Plan Cabriole stated that the military would only be used to minimise hardship to the public, and not to force a resolution of disputes.

"The closest security is essential to ensure that public knowledge of such contingent preparations does not prejudice efforts to resolve the underlying dispute," the plan said.

Defence forces were to be brought into a dispute only at the request of a government. Military personnel would be allowed to defend themselves and their equipment from attack by trade unionists or other members of the public, but were not to carry any weapons or use unnecessary violence.

The plan listed possible industries and the types of military equipment and personnel that would be needed. Air transport strikes might involve the provision of military aircraft, military supplies of fuel could be used in fuel strikes and military police could take the place of striking civilian police.

The plan noted that the military had neither the ability or equipment to break rail strikes.

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CSO: 4200/1287

MON-KAREN FIGHTING REPORTED, NEGOTIATIONS FAIL

Bangkok KHAO PHUSET in Thai 30 Jun-6 Jul 86 p 6

[Unattributed report: "A War Between Minority Groups: Mon and Karen Have Turned To Killing Each Other"]

[Text] The civil war between the minority groups that live along the border and the Burmese government shows no sign of ending any time soon. Things became even clearer when it was learned that there has been a split between the minority groups. The Karen and Mon, which fought the Burmese government side by side for many years, have now turned on each other.

A news report stated that recently, the New Mon Party of Gen Sawechin and Maj Pakoman, the leader of the Mon Defense Forces near Tanaosi, showed displeasure and expressed their readiness to retaliate against the Karen using every means available. They claim that the Karen, or Kawthulay, are oppressing the Mon. They claim that the Karen are stealing land and collecting taxes that belong to the Mon. For example, the Karen have said that the area from Mo Lamloeng to Marit to the west of the highway, which is a very narrow area, belongs to the Mon and that the rest of the area on south, including Tavoy and Tanaosi, belongs to the Republic of Kawthulay.

Gen Sawechin said that the area stipulated by the Karen as belonging to the Mon state is even smaller than that stipulated by the government of Ne Win.

A report confirmed that recently, Gen Bo Mya, the Karen leader, sent a representative named Col Oliver to negotiate with Maj Pakhoman in the Tanaosi mountains. He told Maj Pakhoman that the area stipulated belonged to the Karen and that the Mon must withdraw their forces from this area. Or they can go join the National Democracy Front (NDF) if they want. But Maj Pakhoman refused and told the Karen to review the original agreement. When Sopha Uchi was the Karen leader, he signed a treaty with the Mon leader, Mr Holamong. That treaty states that after the Mon-Karen territory has been liberated, the area is to be divided into Mon and Karen zones based on the views of the Mon and Karen people.

The negotiations between the representative of Gen Bo Mya and Maj Pakhoman were a total failure. The conclusion of Maj Pakhoman, the head of the Mon Tanaosi forces, was that a "war between the Mon and Karen is inevitable."

11943

CSO: 4207/273

## SOVIET TRADE GROUP VISIT PLANNED, DATES TO BE ANNOUNCED

Suva THE FIJI TIMES in English 21 Jun 86 p 1

[Text]

A Soviet delegation will be visiting Fiji later this year to discuss trade links.

The talks will include a fishing agreement allowing Soviet vessels to fish in Fiji waters and landing rights for vessels.

The Permanent Secretary for Foreign Affairs, Dr James Maraj, said yesterday the Government had already agreed to a Soviet trade delegation coming here.

But no firm date for the visit had been set.

"It will be some time this year but the exact date has not yet been fixed because we have had so many foreign dignitaries visiting us this year," he said.

Dr Maraj disclosed this after the Prime Minister, Ratu Sir Kamisese Mara, told reporters in Honolulu on Thursday that Fiji was discussing a fishing agreement with the Soviet Union.

The *Honolulu Advertiser* reporters present when Ratu Sir Kamisese made this statement told The Fiji Times yesterday that he said the Fij-Soviet discussions were at a preliminary stage.

Ratu Sir Kamisese, who was attending a Pacific Islands Development Programme meeting in Honolulu talked about the possibility of a fishing deal, while defending the right of Kiribati to negotiate a fishing treaty with the Soviet Union.

He was asked by a reporter whether Fiji had a fishing agreement with the Soviet Union.

"We are discussing it with them," he said.

"Marine resources were the only resources which could have any impact on development in the Pacific," he added.

He said he would allow Soviet ships to berth in Fiji ports if the Soviet Union agreed to pay the landing and port fees demanded.

They would be "most welcome" if they agreed to the charges by Fiji authorities he said.

But he said there was no draft agreement as yet.

Dr Maraj said there had been no meetings or discussions, apart from the initial proposals and the decision to receive a Soviet delegation.

A reporter who was present said it did not appear as if Ratu Sir Kamisese had planned to threaten the United States of America to provide more help for the island states by announcing that Fiji was negotiating a fishing deal with the Soviet Union.

It appeared as if he was asked an unexpected question which he answered truthfully.

But it would certainly frighten the American authorities as Fiji was regarded as one of the most anti-Soviet countries in this part of the world, the reporter said.

Dr Maraj said the details of the visit by the mission had yet to be worked out.

## PAPER SEES 'SIGNIFICANT SHIFT' TOWARD TRADE WITH SOVIETS

Suva THE FIJI TIMES in English 21 Jun 86 p 6

[Editorial]

[Text]

THE Government's positive reaction to Soviet overtures for closer trade links marks a significant shift in our State policy towards this super-power.

Only a few years ago, the Prime Minister, Ratu Sir Kamisese Mara, was saying that he distrusted and feared the Russians because of their so-called trouble-making propensities.

After the allegations of the infamous 'Russian Letter' — which have since been disproved — the Government banned virtually all contacts with the Russians.

But two days ago in Honolulu, the Prime Minister made the startling disclosure that Fiji was considering a fishing agreement with the Russians.

And yesterday, the Foreign Office in Suva disclosed that a trade delegation would be visiting Fiji some time this year for wide-ranging talks, including discussions on a possible fishing deal.

It is possible nothing may come of it. It is not inconceivable that the Prime Minister is sending a signal to our Western friends, particularly the Americans.

When the Prime Minister returned home from his official visit to Washington in 1984, he came back a happy man. He felt his shopping trip was successful, what with a bilateral trade agreement in the bag and promises of a better sugar quota and stepped-up aid.

But the Americans have been slow to deliver the goods, much to the chagrin of the Government.

The Prime Minister has now decided to play his Russian card. Washington would doubtless be feeling jittery.

As a small nation, Fiji should pursue a policy of friendship towards all countries. The new initiative on the Russian question reinforces this policy, and our independence.

On a more practical level, trade with the Soviet Union could be highly profitable for us.

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CSO: 4200/1284



NFP, WUF COALITION REMAINS INTACT FOR GENERAL ELECTION

Suva THE FIJI TIMES in English 21 Jun 86 p 3

[Text]

The National Federation Party and the Western United Front have announced that their coalition is still intact and would continue into the 1987 general election.

The announcement was made yesterday in a joint statement by the Leader of the Opposition, Mr Harish Sharma, and WUF's president, Senator Ratu Osea Gavidia.

Leaders of the two parties met at Ratu Osea's home in Cuvu Village on Thursday night to discuss the future of the coalition.

Mr Sharma led the NFP delegation, accompanied by the former leader, Mr Siddiq Koya, parliamentarians Mr Sharda Nand, Mr Navin Patel, Mr Temo

Sukanaivalu, Mr Anirudh Kuver, Senator Singh Galian and Senator Dr Balwant Singh Rakka.

The WUF was represented by Ratu Osea, parliamentarians Mr Isikeli Nadalo, Mr Filimoni Nalatu, The Tui Nawaka, Ratu Meli Naureu, the Tui Nasakawa, Ratu Epi Batirerega, Mr Inoke Momekaya, Ratu Samu Gonedwai and Ratu Lake Nakulanikoro.

The joint statement said the NFP leaders were briefed by Ratu Osea on the progress of WUF's talks with the Fiji Labour Party about a possible coalition to contest the 1987 general elections.

It said similar meetings would be held in future between the two parties.

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CSO: 4200/1284

## LABOR PARTY ESCHEWS TRADE UNION LABEL

Suva THE FIJI TIMES in English 21 Jun 86 p 6

[Article by Firoz Shaheem]

[Text]

Organisers of the Fiji Labour Party's first annual conference took pains to ensure it was seen as an event of a political party and not of the trade union movement.

The distinction was crucial because in derecognising the Fiji Trade Union Congress, which sponsored the FLP, the Government made it clear it regarded the FTUC as too politically oriented.

A senior FLP official said one of the reasons why FTUC national secretary, Mr James Raman, stayed away from the conference was he wanted to keep a low profile "in view of the TUC thing".

"We didn't want it to be seen as a TUC or workers convention," the official said.

Another trade unionist who actually attended, but also kept a low profile, was the general secretary of the Public Service Association, Mr Mahendra Chaudhry.

He sat in the second row on the main dais at the Girit Centre venue in Lautoka and kept pretty clear of proceedings, at least in the open sessions.

He is the assistant general secretary of the FLP but all the explanations and clarifications were done by the secretary-general, Mr Krishna Datt.

The front line on the stage was made up of the main officials of the party. All of them, except one, were unionists too, but they would be expected to be the front line men in view of their positions in the party.

The compositions of the crowd of about 900 who filled the hall in the morning session showed a predominance of Indian people over Fijians.

This would point towards the FLP pulling away supporters from the National Federation Party while the Alliance supporters remain largely intact.

But party officials maintain that "all" of the Fijian people at the meeting, including a crowd from Nasomo Village in Vatukoula, were formerly Alliance.

The FLP president, Dr Timoci Bavadra, has been involved with Nasomo people in a fight with the Vatukoula joint venture gold mining company over compensation claims for mining rights.

In his presidential address, Dr Bavadra heaped criticism on the Alliance Government — but also gave alternatives, which no other party has done before at its annual conferences.

In a speech which bore more resemblance to an election manifesto, he not only spoke of how a Labour government would function, but more importantly, what it would do.

In doing so, he has risked losing a lot of the FLP ammunition for the forthcoming election and giving the Government sufficient advance notice to set up a counter-attack.

One can imagine Alliance strategists busy poring over his speech, picking out nice juicy bits for even nicer and juicier bits of counter-attack.

Dr Bavadra dismisses any suggestions of losing any advantage, saying the ultimate aim is to serve the people.

"If they pick these things up and start implementing them, it's the people who will benefit.

"If we can get the government to move into doing some of these things, we are happy.

"Strategically it might be losing some of the things to them, but so what? It will be on record that we came up with it first."

What if the Labour platform is not stolen but gets criticised as too radical in outlook?

Dr Bavadra said it was not for the sake of nationalisation that the FLP wanted certain industries nationalised.

"We look at areas where it will directly benefit the people. In such case, it becomes the responsibility of the nation to do something for the people."

He said putting a label of 'radical' to some of the proposals was "negative thinking" because it was probably the first time such ideas had come up in Fiji.

The proceedings went on quite uneventfully, except for a flurry when the subject of coalition came up.

The message loud and clear from the floor was that coalition was not on. The official view was that options should be kept open at this stage.

But for the next conference the party will have to come up with an agenda which provides for motions. It was not made clear whether the constitution allowed motions at the annual conference or at the delegates conference.

Dr Bavadra acknowledged this, saying motions could be accommodated next time but only through the branches and with adequate notice.

MOKHTAR COMMENTS ON PROPOSAL TO CONTACT PORTUGAL

BK011458 Jakarta KOMPAS in Indonesian 26 Jul 86 p 1

[Excerpt] Jakarta, KOMPAS--The proposal put forward by East Nusatenggara Governor Ben Mboi to the effect that Indonesia approach Portugal in its effort to seek a comprehensive solution to the East Timor issue is actually not something new. Following an initiative taken by UN Secretary General Javier Perez de Cuellar, Indonesia has for the past 2 years had contacts with Portugal.

Foreign Minister Mokhtar Kusumaatmaja made the remarks at the Pejambon Foreign Affairs Department on Friday [25 July] when he commented on the proposal presented by Ben Mboi at a seminar organized by SINAR HARAPAN on 22 July. The East Nusatenggara governor said that Indonesia should approach and request Portugal to delete the inclusion of East Timor as part of that country's territory in its constitution. If necessary, Indonesia should in return give some kind of concession.

Asked about the outcome of the contacts with Portugal, Mokhtar declined to elaborate apart from saying that he was optimistic about it. He said: "Please do not misunderstand me because the contacts were only aimed at dropping the East Timor issue from the UN General Assembly." He added that East Timor is no longer a problem for Indonesia, but is still an issue at the UN because there are other people who still like to raise it.

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CSO: 4213/177

# REGIONAL GOVERNMENTS CAN RECEIVE FOREIGN LOANS

Jakarta KOMPAS in Indonesian 21 May 86 p 12

[Text] Foreign loans for funding development projects will be determined more by provincial governments than by the central government, as has been the case up to now. Each provincial government can receive loans as long as it is able to make the matching rupiah funds available through its APBD (Provincial Expense and Development Budget). Eng Suyono Sosrodarsono, minister of public works (PU), made this statement to reporters Monday evening, 19 May, at a ceremony marking the end of the Muslim fasting day.

The minister said that this policy will take effect starting with the 1986-1987 fiscal year; its aim is give the provinces a bigger role and more responsibility. "Those provincial governments which can manage to provide the necessary rupiah matching funds can vie for these loans," he emphasized.

Suyono said that for each project receiving foreign aid the ratio of foreign loans to rupiah matching funds is usually 60 to 40. However, for the 1986-1987 fiscal year the ratio of foreign funds will be higher--about 70 percent of the total cost of the project.

He said that the central government is responsible for paying off the loan; as a consequence, the provincial government must go along with the loan regulations as determined by the central government, including the determination of the ratio of matching funds.

The minister said that projects using foreign loans for which provincial governments can compete include constructing provincial roads and small-scale irrigation projects, providing facilities for potable water, and handling garbage and waste water. He mentioned that the Netherlands, Japan and the World Bank are prepared to make loans for these purposes.

In this connection, a team from the Department of Public Works, headed by Eng Suryatin, Director General of Highways, visited Washington and Tokyo at the beginning of last week. The team held meetings on the size of possible loans from the World Bank and Japan, based on the provincial governments' willingness to provide rupiah matching funds.

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CSO: 4213/155

FOREIGN CRITICISM OF TRANSMIGRATION PROGRAM COUNTERED

Jakarta PELITA in Indonesian 30 May 86 pp 1, 3

[Text] Foreign reports on the Irian Jaya transmigration program are an effort to separate that province from Indonesia. Todung Mulya Lubis, SH, made that statement to the press last night in the Adam Malik Room of the LBH.

Mulya Lubis, chairman of the Legal Aid Society Foundation of Indonesia [LBH], gave as an example the periodical THE ECOLOGIC which has written in an exaggerated and racist way about transmigration in Irian Jaya. Those articles, Lubis said, played off the transmigrants, who are the newcomers, against the aboriginal inhabitants of Irian Jaya.

Mulya Lubis, who just returned from Irian Jaya, said that he has seen a lot of progress in implementing transmigration projects in Irian Jaya. "We feel relieved at the government's actions," he said, holding on to the canes which he has been using since he came back from Irian Jaya last week.

Mulya Lubis, who has been to Irian Jaya three times, said that the Legal Aid Society went to Irian Jaya to help in development. "Irian Jaya is a challenge to the LBH; we want to help in Irian Jaya's development," he said. Lubis indicated his determination in speaking to Jakarta's legal reporters.

In addition, Mulya Lubis said he regretted that Pramoedya Ananta Toer's books "Footsteps" and "The Beginner" had been banned. He said that those books are important and should be read. "I think that banning those two books does an injury to the progress of our law," said Mulya, who has read the books.

Another source said the two books had been translated into Dutch, Japanese and English. In Indonesia the books were published by Hasta Mitra, Inc. Last week the attorney general banned those two books. The reason he gave is that the books "are historical novels which start from the premise of social contradictions and a class struggle based on socialist realism and therefore are a type of communist literature."

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CS0:4213/155



## LACK OF READY-TO-PLANT TRANSMIGRATION LAND REPORTED

Jakarta SINAR HARAPAN in Indonesian 26 May 86 p 11

[Text] Minister of Transmigration Martono revealed that as of the end of March there were 19,877 transmigration families still lacking type I [ready-to-plant] land of 1 hectare per family. There also are 119,310 transmigration families lacking type II land (which is to be opened up by the transmigrants themselves) of 0.75 hectares per family. These lands are located in transmigration areas in 17 provinces.

If this lack of land is not overcome quickly, training programs for transmigrants will drag on and there will be a delay in handing over transmigration projects from the Ministry of Transmigration to the Ministry of Internal Affairs. The minister made these statements on Friday afternoon, 23 May, at a working meeting with Parliament's Commission on the Budget, headed by Darwin Abdullah, deputy chairman of the Commission, in the Senayan Building, Jakarta.

Martono said that the areas whose type-I and type-II land goals under the transmigration placement programs implemented between 1977-1978 and 1983-1984 have been conspicuously unfulfilled are West Kalimantan, which lacks type I land for 2,292 families and lacks type II land for 26,981 families and Riau which lacks type I land for 6,478 families and lacks type II land for 11,525 families.

South Sulawesi lacks type II land for 10,414 families and Southeast Sulawesi lacks type I land for 800 families and type II land for 8,095 families. Provinces which do not have these land problems are Jambi, South Sulawesi and NTB [West Nusa Tenggara].

There are various ways of overcoming these problems, including looking for alternative land, compensating the owners for it and increasing the quota of local transmigrants, looking for other possible land and accommodating the original plans to the final situation, giving compensation in the form of cattle, perennial crops or the like while coming to an agreement with the transmigrants if there is no replacement land. If there is no other way, move the transmigrants to other possible land.



Martono said that between 1982-1983 and 1985-1986 a total of 64,831.5 hectares of garden land had been prepared for 259,764 families (0.25 of garden land for each family) and 251,764 hectares of type I land for 254,761 families. This was 70.52 percent of the target.

The work to be completed consists of 23,630 hectares of garden land for 94,251 families and 101,463 hectares of type I land for 101,463 families.

The minister explained that at the beginning of the 1985-1986 fiscal year the task was to construct houses for 252,932 families and clean water facilities for 261,584 families. However, it was only possible to construct houses for 52,757 families and clean water facilities for the equivalent of 71,717 families. The result was that at the end of the 1985-1986 fiscal year houses for 201,175 families and clean water facilities for the equivalent of 189,867 families still remained to be constructed.

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CSO: 4213/155

EFFORT TO PROMOTE VOLUNTARY TRANSMIGRATION REPORTED

Jakarta KOMPAS in Indonesian 4 Jul 86 p 2

[Article: "Voluntary Transmigration Implementation Agency To Be Formed This Year"]

[Text] Jakarta, KOMPAS--This year the Department of Transmigration will form a Voluntary Transmigration Implementation Agency which will coordinate the handling of the transmigration program by and for the people themselves. With the formation of this agency it is expected that voluntary transmigration will develop more than general transmigration which is handled by the DEPTRANS [Department of Transmigration].

Martono, transmigration minister, provided this information when meeting with President Suharto at the Bina Graha [president's office] on Thursday [3 July]. He reported that the preparations for the celebration of Cooperatives Day on 12 July will focus this year on the Kuamang Kuning, Jambi, transmigration area.

According to the minister, the implementation agency is expected to further develop voluntary transmigration. In the first phase, the agency will coordinate the implementation of voluntary transmigration on Java, principally from the densely-populated and poor areas of West, Central, and East Java. "If voluntary transmigration improves, the DEPTRANS will organize general transmigration from areas in which there are victims of natural disasters or from areas whose residents must be moved because of reservoir construction, for instance," Martono added.

Regarding facilities that have been prepared by the government for voluntary transmigrants, the minister promised that 2 hectares of land would be prepared for them as for general transmigrants. Moreover, 2.5 hectares would be prepared for the PIR [People's Nuclear Plantation] transmigrants. "Other facilities such as a subsistence guaranty are still being discussed," he said.

He stressed that institutions or public volunteer organizations would be more and more involved in handling voluntary transmigration. The government would only make such handling operate more smoothly. "The public's interest in transmigration is still great," he said.

### Exceeded the Target

Supporting this view, Martono disclosed that as of now the target for resettling transmigrants during PELITA IV [fourth 5-Year Development Plan] had been exceeded. During the first year of PELITA IV 101,888 families departed while the target was 125,000 families. This shortage was covered in the second year when 166,347 families departed while the target was only 135,000 families. In this third year, as of 1 July, 44,742 families have departed.

During PELITA IV, as of 1 July 312,977 transmigrant families were resettled while the overall target for the end of PELITA IV is 750,000 families.

Of the transmigrants who left during the first year of PELITA IV, some 49,000 families were voluntary transmigrants. Meanwhile, during the second year there were more than 86,000 voluntary transmigrant families.

In the month of June alone, the minister added, 155 voluntary transmigrant families departed. In the same period only 40 general transmigrant families departed. "The implementation of voluntary transmigration will continue to be supported. Later this will be done from, for, and by the public," he said.

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CSO: 4213/172

## HOUSES, LAND IN TRANSMIGRATION SITES UNUTILIZED

Jakarta KOMPAS in Indonesian 4 Jul 86 p 12

[Article: "7,600 Transmigration Houses Unoccupied in Irian Jaya; Caused by Revision of 1986-87 DIP"]

[Text] Jayapura, KOMPAS—As many as 7,600 houses built for general transmigrants in several resettlement sites in Irian Jaya Province are still unoccupied. Land around the houses and land for use I around those resettlement sites are now beginning to be covered with weeds.

Drs Kusnadi YS, chief of the Irian Jaya DEPTRANS KANWIL [Transmigration Department Regional Office] who was contacted by KOMPAS on Wednesday [3 July], confirmed that the placement of transmigrants in Irian Jaya had been postponed because the transmigration DIP [project schedule] for fiscal 1986-87 had been revised. This resulted in thousands of houses in five resettlement sites still being unoccupied.

Most of these houses were built a year ago. Some remain from housing constructed for the previous year when the transmigration placement plan was not realized.

Kusnadi explained that 7,600 houses were ready for occupation. They are located in the Merauke (4,183 houses), Sorong (1,466), Fakfak (466), Manokwari (978), and Jayapura Regencies (507). Without providing details on the cost of construction, Kusnadi said 7,474 of these houses were built in fiscal 1985-86. The balance were houses remaining from those constructed under the transmigration placement plans that were not realized in 1983-84, 1984-87, and 1985-86.

### HUMAS Clarification

Meanwhile, Drs Hormat Meliala, chief of the DEPTRANS HUMAS [public relations office] who met with KOMPAS in Jayapura, explained that, in principle, the 7,600 houses that were built would not be wasted or permitted to be destroyed. "Transmigrants--general, voluntary, or APPDT [transmigration regional population placement allocation] transmigrants--will be placed in them," he said.

The DEPTRANS HUMAS chief has been in Jayapura since the end of June, accompanying a group of students from Task Force IX of the Foreign Affairs Department

Administrative Leadership and Staff School (SESPA) on an observation tour of the West and East Koya and Nimbokrang transmigration resettlement sites in Jayapura Regency. This observation tour, according to Hormat, is being conducted to teach the participants in the Foreign Affairs Department SESPA about the area so that they can evaluate incorrect overseas reports on the placement of transmigrants in Irian Jaya.

#### In Southeast Sulawesi

Earlier there were reports of cases similar to those in Irian Jaya in Southeast Sulawesi Province. It was recorded that 1,411 housing units for voluntary transmigrants were unoccupied because no candidates for these facilities had arrived.

Drs Ketut Berlin, Southeast Sulawesi KAKANWIL [chief of the regional office] of the DEPTRANS, explained that the housing was constructed under last year's budget. Nevertheless, to date no voluntary transmigrants have arrived to occupy them.

According to Berlin, this problem had been reported directly to Engineer H. Al Alala, the Southeast Sulawesi governor, and to Transmigration Minister Martono in Jakarta in May. In addition to expecting the arrival of voluntary transmigrants to occupy these houses, the governor spoke with the minister about the possibility of using some of the housing for local residents in the context of resettlement.

6804

CSO: 4213/172

# NU MEMBERS 'DEFECTION' TO GOLKAR VIEWED

Jakarta TEMPO in Indonesian 31 May 86 pp 12, 13

[Text] The 1987 election campaign has not yet begun, but a number of NU [Muslim Scholars Organization] members from Central Java and West Java have crossed over to GOLKAR [Functional Groups Organization]. So, now, it is no surprise that in an analysis of the NU, Mustafa Zuhhad, deputy advisory chairman of the Central Java branch of NU, says, "The Muslim scholars are flanked by the Ansor Youth on the right and by AMPI [GOLKAR's Youth Organization] on the left."

Haji Mansur, the PPP [United Development Party] village commissioner from Jombor, Semarang, in a joyous ceremony attended by about 1,500 people who made the pilgrimage over to GOLKAR in droves at the Ibtidaiyah Muslim School in Jombor on 7 May, officially joined GOLKAR. "It felt just like a wedding," said Mansur, up to now a well-known figure in the Ansor Youth.

Lt Col (Ret) Superbo, chairman of GOLKAR's DPD [Provincial Executive Board] for Semarang lead the ceremony. Mansur, wearing a short-sleeved Nehru jacket complete with various AMPI symbols, said, "Sincere in body and soul I enter GOLKAR." He handed over a list of 770 names of his followers, residents of the village of Jombor.

Jombor, located at the edge of Rawapening, Tuntang county, used to be known as a PPP base. For example, in the last election, of the 1,000 votes cast GOLKAR received 150, the PDI [Indonesia Democracy Party] 4, and the PPP got all the rest. "With 770 of my followers joining up, GOLKAR is sure to be the winner in this village," said Mansur, a self-defense instructor with about 1,000 students.

It is interesting that Mansur's move over to GOLKAR received a written blessing from KH Dimjati, chairman of the Indonesian Muslim Scholars Council (MUI), of Semarang. "MUI is neutral, you know. Anyway, nowadays we all have the same basic principles, Pancasila [Five Principles of the Nation]," said Dimjati, head of the Al Masykur Religious Training Center in Jombor and advisor to Semarang's NU.

Why did Mansur, a violinist and head of the orchestra, move over to GOLKAR? "GOLKAR won the last election in Ambarawa and then the Islamic Center was



built as a center for spreading the faith," he said. "The PPP won in this village, but they couldn't even afford to build a mosque. The proof is that the local mosque hasn't been repaired in 20 years, so why did we help the PPP win?" He then criticized the leaders of the MI [Indonesian Muslims] faction of the PPP saying that they did not give any thought to religious development. "They just backbite each other," said Mansur, chairman of the advisory board of NU's Jombor branch.

According to Mustafa Zuhhad only eight of the 37 NU branches in Central Java still clearly support the PPP. In fact, Syaikh Mas'ud, first secretary of NU's Cilacap branch, for example, has already issued a statement that there are religious reasons to vote for GOLKAR.

A climate of leaving the PPP is apparently getting stronger. "A year before the 1982 general election we were prepared as a group to stay away from KORAMIL [Military District Command], but no longer," said Zuhhad. Besides that, there are also NU preachers who don't hesitate to sneer at the PPP. "If GOLKAR asks us to campaign with trucks, we'll go along. The same if the PDI asks us. But if the PPP asks us to campaign with a crank-up bicycle, well, we'll say, 'just wait a minute,'" said Zuhhad imitating those insults.

NU figures in West Java, disappointed at the actions of the PPP's leaders, are also crossing over to GOLKAR. For example, KH Zarkasyi Nuch, second deputy secretary of NU's Karawang branch and head of the Panyingkiran Muslim School, crossed over, saying, "They have forgotten about religious affairs. This includes the NU Muslim scholars in the villages. It seems that GOLKAR is the only organization helping religion. And so at the beginning of May a pledge to support GOLKAR was issued at a conference of NU subbranches in Rawamerta.

Not all NU members have defected to GOLKAR because of disappointment in the PPP. KH Mohamad Ilyas Ruhiyat, head of the Cipasung Muslim School in Singaparna, Tasikmalaya, for example, said, "I haven't been politically active; I have never been a PPP director and so I haven't been disappointed."

Kiai Ruhiyat, 52 years old, has been head of the Cipasung Religious School since 1977. He took it over from his father. Founded in 1931, it now has about 4,000 students at various levels--SD [elementary school], SMA [Junior High School], SMA [High School], Aliyah [Senior High School] and the Cipasung Islamic Religious Institute [IAIC]. Kiai Ruhiyat himself is the president of IAIC. In March he stated his determination to help GOLKAR win in the upcoming general election. Why GOLKAR? "Up to now cooperation between Muslim scholars and government officials has been a help to the NU," he said. "Now government officials belong to GOLKAR, so I'm voting for GOLKAR."

Ruhiyat said that his view is based on what came out of the NU Congress held in Situbondo. "The NU has abandoned political concerns and the NU's Executive Council has not issued a statement about the direction they are headed in," said Ruhiyat, a member of NU's Advisory Executive Board. Zarkasyi's comment on NU members in Cipasung who are joining GOLKAR along with him was, "That is up to them as individuals."



Abdurrahman Wahid, general chairman of NU's Executive Board, thinks it only natural that some NU members crossed over after the 26th Congress in Situbondo. "That means there has been a political maturing process," he said. "Every NU member should vote according to his aspirations. If he can't make up his own mind, he should ask the Muslim scholar who is his guide, and not ask an organization." Abdurrahman believes that NU members' defection is "a reflection of the relations between the PPP and its former elements."

However, there are some who doubt that crossing over to GOLKAR is a decision with no ulterior motives. "We are not convinced," said Mardinsyah, secretary general of the PPP's Central Executive Board. His evaluation is that the exodus has probably come about because of the flow of various kinds of aid from GOLKAR. "But there is no guarantee that the voters will vote for GOLKAR after receiving that aid. Elections are free and secret."

Kiai Ruhiyah, for example, did in fact say to Alamsyah Batu Perwiranegara, coordinating minister for public welfare, that he would support GOLKAR. In fact Alamsyah was made Chief Advisor to the Religious School Foundation, and according to one source plans are to build a mosque and a library in the Cipasung religious school's complex. Haji Mansur, on the other hand, is reported to have joined GOLKAR because of his ambitions to become village clerk.

GOLKAR's comments on this? "We didn't program that," said Kardiman, general chairman of GOLKAR'S Provincial Executive Board for Central Java. "If the aid is accepted, it's accepted. But just see what happens during the voting later," said Utuy Sobandi, chairman of GOLKAR's Provincial Executive Board for Tasikmalaya.

In fact the meaning and motivation of the defection is not yet clear. Is it a sign of a shift in the political currents? It is not clear. There are some who suspect that it is only a superficial coopting, which usually happens just before an election.

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CSO: 4213/155

# AUTHORITIES SET DEADLINE FOR EAST JAVA PPP TO UNITE

Jakarta KOMPAS in Indonesian 2 Jul 86 pp 1, 8

[Article: "East Java PPP Must Unite by 20 July"]

[Text] Surabaya, KOMPAS—The government of the East Java Level I region and the LAKSUSDA [regional special executive officer] have set a time limit of 20 July by which the PPP (United Development Party) in its region is to unite, according to Hasril Harun, chief of the East Java Level I SOSPOL [socio-political] Directorate, and Colonel Pratiknjo, East Java SOSPOL assistant to the LAKSUSDA, who provided this information on Tuesday (1 July).

"The East Java PEMDA [regional government] and the LAKSUSDA have been trying hard to date to support the PPP in its efforts to save itself from disunity. Therefore, the PPP should avoid creating internal problems that could have a negative impact on the organization, disrupt socio-political stability, especially in the face of the 1987 PEMILU [general election]," explained Hasril Harun after meeting with the East Java PPP DPW [regional executive council] yesterday afternoon [1 July].

Both the East Java LAKSUSDA and the SOSPOL Directorate recommended that the United Development Party use the principle of discussion to reach a consensus in settling any internal problems that arise, but it also must be guided by its party constitution as well as laws in effect. The East Java PPP was also asked to prepare itself for the 1987 PEMILU along with other socio-political forces, in accordance with established preparation phases. "In a short while they must have decided on candidates," Hasril Harun said.

## Different Opinions

Hasril Harun, chief of the East Java SOSPOL Directorate, repeated his clear and firm stance to avoid any impact from the SOSPOL Directorate appearing to interfere in the party's internal affairs. "Please settle the party's internal affairs in accord with the party's constitution and the government will tut wuri handayani [in Javanese--accept this and provide guidance behind the scene]," he explained.

He disclosed that since early 1986 the East Java PPP had held KONPERWIL's (regional conferences) and KONPERCAB's [branch conferences]. At these conferences

the PPP organized its regional and branch structures. The East Java regional government appreciates and respects the party constitution and procedures for ratifying its organizational structure.

In reacting to the developments within the PPP, Hasril said, the government was aware of the need to revamp its structure so that it could more efficiently carry out the party's missions. In this connection, he explained that the government had some guidance for revamping the structure. Among other things, the results of the KONPERWIL's and KONPERCAB's should be stressed. Addition of new personnel should be coordinated with the regional government. The chairman, secretary, and treasurer were the key personnel and should be acceptable to the party. They should be made known to the local government in good time while other personnel in charge of the smooth operation of the organization were the party's affair.

#### Must Be Autonomous

The proposal to revamp the East Java PPP DPW has been submitted also to the PPP DPP [central executive committee]. Nevertheless, Hasril Harun said, 22 PPP DPC's in East Java still have not been legitimized through a decision from the PPP DPP, and only 15 DPC and DPW have been awarded a decision.

He added that the PPP DPP decision contained differing opinions from the PPP regional council members now in office. Therefore, DPC's that have not yet received a PPP DPP decision should decide on their organizational structures and procedures. "Do not just push things through," Hasril stated firmly, adding, "so that everything can be settled autonomously."

On another subject, both Hasril as well as Pratiknjo said they had worked toward having the East Java PPP DPW, headed by KT Soelaiman Fadly meet with the PPP DPP chairman (H. Naro, S.H. [master of laws]) to settle the party's internal problems.

This effort bore fruit in the form of agreement between the East Java PPP DPP and the PPP DPW as well as between Soelaiman Fadly and Ahadin Mintarum, who through their respective KONPERWIL's were elected chairman and secretary of the East Java PPP DPW. Unresolved internal problems apparently still exist in the organization. These could disrupt stability.

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CSO: 4213/172

## RECONCILIATION EFFORT OF PPP DISSIDENT REPORTED

Jakarta TEMPO in Indonesian 31 May 86 pp 12, 13

[Text] The crisis in the PPP [United Development Party] is like a kung-fu story--long and endless. Last week the confusion which has been going on for 4 years entered a new stage. Syarifuddin Harahap, Naro's chief rival, moved away from the Soedardji clique. "Efforts made in the name of the Soedardji-Mokobombang DPP [Central Executive Board] are no longer effective. This can be seen as ruining the government's efforts to achieve a reconciliation," wrote Syarifuddin to Soedardji and Ismail Mokobombang, the gang he belonged to when he was actively seeking to steal away Naro's leadership.

That letter, written by Syarifuddin 3 days before the end of the fasting month, had a more or less advisory tone. For example, Syarifuddin said, the actions of the group, if continued, would put Soedardji and Mokobombang outside the political system, which could isolate them. Therefore, he went on, the only way to go is to return to the DPP resulting from the First Congress, which elected Naro general chairman. "I accept Naro, regardless of whether I like him or not," said Syarifuddin, an important figure in the SI [Islamic League].

Has Syarifuddin given up? "I'll accept whatever term you use. I lose or I give up or I give in. This is the best way," he said. Given Syarifuddin's attitude up to now, his action is not surprising. "He's like a night-and-day person," was Soedardji's comment, meaning he has always been changeable.

Many people, however, see the change in Syarifuddin's attitude as realistic. "Politicians must know which way the wind is blowing," said an FPP [United Development Faction] member to TEMPO, meaning Syarifuddin has calculated the government's position, which always refers to the reconciliation agreement of 17 June 1985 and only recognizes one DPP, under Naro. And, do not forget the nominations of candidates to the DPR [Parliament]. They will soon be drawn up by a team appointed by Naro and only they will be accepted by the government.

Syarifuddin has denied that his "desertion" has any connection with the question of candidacy. "This is merely a step in the direction of consolidation before the upcoming election," said Syarifuddin. He said that he wants the PPP to be as intact as the PDI [Indonesian Democracy Party]. Syarifuddin said that the steps he has taken have no strings attached. "I was

strong enough to begin and I am strong enough to finish. The question of a guaranteed place on the candidates' list didn't occur to me," he added. Syarifuddin said that he, not Soedardji as many people thought, was the puppet-master behind this long drawn-out PPP conflict. "I must bear the onus for that, because I was the one who urged Soedardji to join in."

Syarifuddin's admission appears to be making the Naro faction happy. Mardinsyah, secretary general of the PPP, praised him, saying, "Syarifuddin is a real man." Admitting that he had not yet received a copy of Syarifuddin's letter, Mardinsyah thinks it possible that the "defection" will be accepted by the DPP. "But not automatically," said Mardinsyah, meaning that the DPP will see how far the repentant preacher's "sins" have gone. "History has provided many lessons, and we will not be rash in this case," said Mardinsyah.

Syarifuddin's admission of guilt does not mean that the doors to candidacy will be wide open. One condition for candidacy is that the candidate must never have committed any act, direct or indirect, which could undermine the party's constitution, leadership or authority. Mardinsyah refused to say whether Syarifuddin or Soedardji belong to the group of people who have undermined the party's constitution or authority. People who have done those things will not escape," he said.

There is only a small chance that Soedardji and Syarifuddin will slip through the eye of the needle. Last week, when candidates for the central Candidates Determination Board (LANTAPPUS--a kind of screening committee) were announced, not a single candidate from Soedardji's group was elected. As usual, Soedardji was not quiet about it. "I will make up my own list of candidates," he said. He thinks that the PPP is not in a normal state right now. "The PPP is not yet harmonious, not yet united," he said.

Nobody knows which list of candidates will be accepted.

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CSO: 4213/155



VETERAN JOURNALIST URGES GOVERNMENT TO BE 'OPEN' TOWARD PRESS

Jakarta KOMPAS in Indonesian 3 Jul 86 p 12

[Article: "Mochtar Lubis: It Is Time for the Government To Be More Open Toward the Press"]

[Excerpt] Jakarta, KOMPAS--It is time for the government to be more open toward press reports and no longer worry about criticism or whether the public is capable of judging the accuracy of the news contained in the mass media.

Mochtar Lubis, an intellectual who has been involved in the world of journalism for scores of years, made note of this in a lecture entitled, "Idealism in Journalism," given on the campus of the National University (UNAS) in Jakarta on Wednesday afternoon [2 July]. The lecture was attended by Professor Dr Takdir Alisjabana, UNAS rector, and the teaching staff and students.

The lack of openness in news reports and the limits placed on the people in putting forth their ideas and views, according to Mochtar Lubis, will only harm the government, "because the people will become increasingly incapable of developing their creative and critical powers, whereas, this is greatly needed for current development," Mochtar continued.

Two Aspects

This intellectual looks with pleasure at the development of press agencies in Indonesia which, from the economic aspect, are becoming increasingly stable and, without fail, can compete with outside media. "Many press agencies at present are able to send their reporters abroad to cover events there. This indicates that the press agencies concerned are economically stable," he said.

However, from another aspect, Mochtar Lubis is concerned that the idealism of the press is fading. "Many things that happen cannot be presented in the mass media for the reason that they might disrupt national stability. The press, more and more, is losing social control because it lacks the courage to present criticism, which the authorities judge to be disruptive," he added.

Such a situation, according to this intellectual, makes a person reluctant to write, reluctant to express his opinions, reluctant to read. "Because all of this is controlled from above," he continued.



Mochtar Lubis also reminded his audience that it was time the government opened its eyes to the fact that things have changed if it did not want to become a coolie of other countries that had greater economic power. "The government has laid a good foundation for developing our economy and, in addition, the national defense and security situation is stable. Now, it is time the government was more open and did not always link everything to national stability. We need to let some fresh air into our ideas, attitudes and other things. The press plays a big role in this," he added.

The perplexing technology in the information and communications sector at this time, according to Mochtar, demands that the receptor be capable of making his own choices. "Only by being in command of both the hard and soft aspects of this perplexing technology can we assist in providing guidance and information to the public on the changes and breathe fresh air into ideas, attitudes and other things," he said.

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CSO: 4213/172

## BRIEFS

**TROUBLED RUBBER PROCESSING PLANTS--**Jakarta, (PELITA)--Six rubber processing factories, each employing 300 workers and having an investment of 2 billion rupiahs per factory, closed in 1986 because they were not strong enough to face "competition." They lost money and "were fighting" overseas competition while at home they were scrambling against each other for raw materials to maintain their credit standing. In his office yesterday [30 June], Engineer Harry Tanugraha, executive director of the GAPKINDO (Indonesian Rubber Entrepreneurs Association), noted that factory closings would rise if steps to help them were not taken as soon as possible. At this time, 120 rubber processing factory licenses are on record but less than 100 are believed to be in operation. In 1984, 107 factories were operating while prior to 1978 hardly 100 were licensed, Harry explained. "Those still operating are 'sick,' and it is believed they soon will follow these six factories by closing," Harry said. [Excerpt] [Jakarta PELITA in Indonesian 1 Jul 86 p 3] 6804

**PRIVATE PLANTATIONS NEGLECTED--**Jakarta, KOMPAS--At this time some 400,000 hectares held by large national private plantations (PBSN) with long lease rights (HGU) are neglected. Seventy-seven percent of the total PBSN area is classed as being in poor or very poor condition. According to data obtained from the Plantations Directorate General, about 194,000 hectares of the total 400,000 hectares held by PBSN consist of Class V plantations or those in very poor condition. The largest Class V private plantations are located in West Sumatra and consist of 42,781 hectares, followed by 30,781 hectares located in West Java. Neglected plantations are found in 18 provinces. The current situation is better than that of 7 years ago when the second PBSN reclassification was made. In 1979, 289 plantations were recorded as being in Class IV and 227 in Class V. In 1984, there were 262 Class IV plantations and 136 in Class V. PBSN in Class I and II actually are of the same caliber as large state-owned plantations (PNP/PTP [State Plantation Company/Plantation Company, Ltd]). Together with the state-owned companies they are capable of helping large private and smallholder plantations develop. Meanwhile, Engineer Hasjrul Harahap, vice minister in charge of increasing hard crop affairs [UPTK], told the press in Jakarta last week that something good has been started to put the neglected HGU plantations in better order. We must not let what happened in the past continue and become a bigger problem. Of course, this problem may have been created by the entrepreneurs themselves by neglecting their plantations. Last

Wednesday [3 July], the UPTK vice minister, and Solihin G.P., SESDALOPBANG [Development Operational Control secretary], reported to the president on a plan to issue an INPRES [presidential instruction] to control the neglected HGU plantation land. Hasrul told the press that, as the first priority, lapsed HGU's would not be reinstated while another look would be taken at the neglected plantations whose HGU's were still in effect. The minister did not explain when the HGU's of these neglected plantations would be revoked. However, he did say that if the holders of HGU's were incompetent, their HGU's would be transferred to those who had the skills and capital needed to manage them. [Text] [Jakarta KOMPAS in Indonesian 7 Jul 86 p 2] 6804

1,000 FORMER PKI MEMBERS 'MISSING'--Lt Col Sonny Sudarsono, head of the East Kalimantan Sociopolitical Directorate, explained to the press that by comparing the 1982 figures for former PKI [Communist Party of Indonesia] members with those recently listed at the registration for the 1987 general election it turns out that 1,000 former PKI members are missing and nobody knows where they are. Registration figures obtained before the 1982 general elections showed 6,870 former PKI members, while the recent figures showed only 5,870, meaning 1,000 fewer. The Minister of Internal Affairs, acting as Chairman of the Election Committee, believes that it was confirmed that only 5,561 actually voted, said Lt Col Sonny, secretary of the East Kalimantan PPD [Provincial Election Committee]. "However, not more than 100 were reported as having died," added Lt Col Sonny. He believes that perhaps the other 1,000 have disguised their identities by, for example, moving to another place; however, what is certain is that there is no information about their present whereabouts. [Text] [Jakarta PELITA in Indonesian 21 May 86 p 9] 9846

GOVERNMENT TO HELP PDI--Minister and Secretary of State Sudharmono stated that the government will assist the PDI [Indonesian Democracy Party] in carrying out the technical operational tasks of the PDI's DPP [Executive Committee] in accordance with its increased activities, especially in view of the upcoming general election. Soerjadi, general chairman of the PDI's DPP, told the press after being received along with other party leaders by the minister in his office yesterday afternoon that his party is expecting sufficient aid for equipment in accordance with its increased workload. The more so because the number of DPP members is greater than before. Soerjadi also revealed that the DPP's office at 60 Diponegoro Street in Jakarta, as well as its contents, is a loan from the government. He said that Soedharmono, as a leader of a sociopolitical force, knows precisely the challenges to a sociopolitical force and also what it can contribute to national development. Soerjadi said that aid is expected not only from the government or from members of the PDI but also from anyone sympathetic to the PDI. Nevertheless, such aid has one condition: that it not lessen the PDI's independence, meaning that aid comes through sympathetic feelings and no other commitments. [Text] [Jakarta HARIAN UMUM AB in Indonesian 30 May 86 p 1] 9846

OIL PRODUCTION IN KALIMANTAN--According to the chief of state oil and gas company Pertamina 4th division covering Kalimantan, the current crude oil production from Kalimantan inclusive of Sulawesi Province has reached 267,000 barrels per day. [Summary] [Jakarta Domestic Service in Indonesian 2300 GMT 28 Jul 86] /9604

GDR ENVOY'S FAREWELL--The East German ambassador to Indonesia, Werner Petersen, in Jakarta today called on Information Minister Harmoko to bid him farewell as his term of duty in Indonesia is coming to an end. On the occasion, Minister Harmoko reiterated that information cooperation which had been developed between East Germany and Indonesia should be able to promote economic growth of both countries. Meanwhile, Ambassador Werner Petersen expressed appreciation for development of Indonesia's information system. He feels the information system in Indonesia has been well developed and is capable of supporting economic growth and bringing prosperity to the people of Indonesia. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 5 Aug 86] /9604

CSO: 4213/177

## LAOS

### THAI COMMERCIAL ATTACHE VIEWS BILATERAL TRADE

Bangkok BAN MUANG in Thai 18 Jul 86 p 6

[Unattributed report: "Laos Makes Large Purchases and So Thailand Enjoys Advantage"]

[Text] During the first 3 months of this year, the value of trade between Thailand and Laos reached 136.77 million baht. Thailand exported goods worth 132.27 million baht to Laos, a 76 percent increase as compared with the same period last year. At the same time, Thailand imported only 4.5 million baht worth of goods from Laos, a decline of 62.4 percent. Thus, Thailand enjoyed a trade surplus of 127.77 million baht.

As for why Laos has been importing larger quantities of goods from Thailand, the Thai Commercial Advisory Office in Vientiane City stated that this stems from the fact that last year, Laos implemented various construction projects, such as road and bridge projects, and these have not yet been completed. Thus, they have had to import more building materials and equipment. Besides this, their new plan calls for dispersing power from the center to the localities. This has given the work units greater power in making decisions and speeded up the import of goods.

Lao imports from Thailand include textiles and ready-made clothing, engine parts, building materials, office equipment, and glutinous and nonglutinous rice. Thai imports from Laos include "krabak" [a tree of the family Dipterocarpaceae] lumber, rattan, and "makham piak." It is worth noting that during the first quarter of the year, Thai-Lao border trade was worth 30.58 million baht, which was 22.3 percent of the value of total trade. Thailand's share of the Lao market is 85.1 percent of the total value of imports.

Thai-Lao trade has increased greatly during the past 2 years. And during that period, Thailand's share of the market has increased to 85.1 percent. This is an indication that in the coming period, trade between Thailand and Laos will be even brighter.

11943

CSO: 4207/291

LAOS

BRIEFS

THAIS TO BID ON PROJECT--Laos is allowing Thailand to bid on selling raw materials for an animal feed plant. A report from the Commercial Advisory Office in Vientiane City stated that the Lao Trading Company, Ministry of Trade, Lao People's Democratic Republic, invited Thailand to bid on selling animal feed plant materials such as soybeans, powdered fish, and tamarind. The Lao Trading Company will accept bids until 1400 hours on 31 July. Any exporter who is interested may request forms for tending bids from the Lao Trading Company in Vientiane. [Text] [Bangkok SIAM RAT in Thai 12 Jul 86 p 6] 11943

CSO: 4207/291



## MALAYSIA

### BRIEFS

TRADE SURPLUS INCREASE--Malaysia's trade surplus for the first 5 months of 1986 increased to 3,810 million ringgit from 2,660 million ringgit for the same period in 1985. According to the Statistics Department, export fell by 1,330 million ringgit to 14,730 million ringgit, while import was 2,480 million ringgit to 10,920 million ringgit during the period. [Text] [Kuala Lumpur International Service in English 0800 GMT 31 Jul 86] /9604

FOREIGN ENVOYS ARRIVE, DEPART--Kuala Lumpur, 3 Aug (BERNAMA)--The Yang Di-Pertuan Agong (the Malaysian king) Sunday received the credentials of the new heads of mission of Brazil, Italy and Papua New Guinea to Malaysia at Istana Negara (palace) here. They are Brazilian Ambassador Carlos Alberto Pereira Pinto, Italian Ambassador Stefano Alberto Canavesio and Papua New Guinea High Commissioner Sir Alkon Tololo. Later, at Istana Johor here, the Yang Di-Pertuan Agong granted audience to the Malaysian High Commissioner-designate to Papua New Guinea, B. Rajaram. His majesty also granted a farewell audience to outgoing Argentine Ambassador Juan Marcelo Gabastou. [Text] [Kuala Lumpur BERNAMA in English 0745 GMT 3 Aug 86] /9604

CSO: 4200/1285

**DETAILS OF FRANCE, NEW ZEALAND GREENPEACE NEGOTIATIONS**

Paris L'EXPRESS INTERNATIONALE in French 18 Jul 86 pp 15-17

[Article by Jacques Derogy and Jean-Marie Pontaut: "Shady Deal"]

[Text] A pat of antipodean butter has saved the skins of two DGSE agents. Chirac did a fine job of softening New Zealand's intransigence. Does that mean that the whole episode has been consigned to oblivion?

There are coconut trees there, and a lagoon where the natives fish for mother-of-pearl shell. Even so, Hao is nobody's idea of Club Mediterranean. The atoll is a military post, 900 kilometers west of Tahiti, that handles logistics for the nuclear test center on Mururoa. Eventually there will be 300 men stationed at a 3,600-meter landing strip there, with the capacity to accommodate American space ships in trouble.

Within the next few days, between 21 and 25 July, Maj Alain Mafart and Capt Dominique Prieur will leave their New Zealand prison cells to fly to Hao. Out there, in the heart of the Tuamotu archipelago, Maj Alain Mafart and Capt Dominique Prieur, alias the Turengees, DSCE agents masquerading as husband and wife, will languish for 3 years in silence and solitude.

Hao is the merest speck on the map of the Pacific. But it is unquestionably the last act in the "Greenpeace Affair" that cost an ecologist-photographer his life, a defense minister his job, and the top man in one of the intelligence services his career and, incidentally, brought down the Socialist government.

Less than 3 months after the release of the nine French nationals held hostage in Lebanon, Jacques Chirac chalked up yet another major diplomatic coup. Of course, the New Zealanders' stubbornness is not by any standard in the same league as Shiite terrorism. Even so, it was not what you might call a piece of cake, either. Matignon's strategy, which involved posting private emissaries and secret advisors off to help along negotiations at the summit level has paid off.

When, in the aftermath of 16 March, the new majority took over, the situation seemed to be deadlocked. The Turengees were sentenced to 10 years in prison for involuntary homicide and destroying a ship.

New Zealand Prime Minister David Lange let it be known that the Turenges would have to serve at least half their sentence. His countrymen were solidly behind him. Negotiations opened by Roland Dumas, then minister for foreign relations, came to grief on the rocks and shoals of British sticklers for the rules in Auckland, and got nowhere.

That led France to stoop to a petty customs war over imports from New Zealand. Shipments of frozen lambs' brains were thawed for microscopic examination, and thereupon promptly declared unfit for human consumption. At the border, bales of compressed wool were undone, and instantly doubled in volume. Northern wool manufacturers, who were the major market for New Zealand wool, had to mobilize whole convoys of trucks to pick up the wool. Spiteful little rear-guard actions like that, though, could never make David Lange cry "uncle!"

#### French Threaten Veto

Butter is something else again. The French have the absolute upper hand there. Europe imports some 80,000 tons of New Zealand butter a year, and pays a stiff price for it: \$2,000 a ton. That mounts up to an annual tab of about \$160 million (1.1 billion francs). A princely gift indeed, when you remember that Europe dumps some of its enormous surplus (a million tons) in the USSR at \$400 a ton. That exceptional favor was bestowed on Great Britain which, upon joining the Common Market, promptly found room there for all its little Commonwealth "cousins." As a result, Europe butters more than a third of its bread with New Zealand butter. And even the British, some say, would be quite content to let the tab run indefinitely and unrestricted. Provided, of course, that the French go first and denounce the treaty. There you see a prospect calculated to send shock-waves all the way to Wellington, leaving it with no alternative outlets for its farmers staring bankruptcy in the face.

The New Zealand contract, which may be renegotiated every 2 years, expires on 1 August. That crucial deadline would be Matignon's strategic lever. All it would take would be a veto from Paris, and Lange would again be facing the wrath of his farmers. As elections draw nearer, the French threat could well prove fatal to him among his farmer electorate, the essential trump card in New Zealand politics.

Behold a new player onstage, one destined for stardom. The new face is that of Ruud Lubbers, Christian Democrat prime minister of The Netherlands and, at the time, acting president of the European Community.

Early in May, Francois Mitterrand invited him aboard the Concorde to attend the industrial nations' summit meeting in Tokyo, along with Foreign Minister Jean-Bernard Raimond. President Mitterrand

apparently convinced his guest of his determination to continue his butter wars to the bitter end. When Lange went to The Hague at the end of that same month, in the course of a European tour that studiously avoided Paris, Lubbers made it quite clear to him that the Twelve would not be averse to a French veto, hinting that it would be well for him to find some ground for an understanding.

The man who had always stalwartly refused to "sell out" [his term] his backers for a fat firkin of butter would change his mind. His political situation was precarious. With the general elections only a year away, he opted to get the Turenges sprung from prison rather than face a showdown with his farmers, who are the prime movers in the New Zealand economy. He is aware that his constituents, who are fanatically anti-French, would not take kindly to an about-face. He has time, though, to turn that around before the elections.

In other words, the hard part was over. Still ahead of him lay finding an honorable way out for everybody concerned. Lubbers, once again, suggests a third-party settlement of the dispute. The name of former Canadian Prime Minister Pierre Elliot Trudeau, whose country is both French-speaking and a member of the Commonwealth, was bruited about for a time. Chirac's nominee was Javier Perez de Cuellar, who is a personal friend of his. The moral stature of the Secretary General of the United Nations is beyond question. The New Zealanders went along.

For Perez de Cuellar, this was a major issue. As successor to Kurt Waldheim, whom he replaced in 1982, he chalked up defeat after defeat in 4 years. On the Falklands, he failed to prevent a war. In Namibia, in Afghanistan, on Cyprus, his intervention was to no avail. The Franco-New Zealand dustup, albeit less bloody, was his chance to demonstrate, at long last, his skill as a diplomat, only 6 months before his mandate would expire.

The negotiating team began falling into place. At the Matignon: cabinet director Maurice Ulrich, and chef de cabinet Michel Roussin who was right-hand man to Alexandre de Marenches at Sdece. De marenches was, incidentally, the man who on 21 June brought home from Damascus and debriefed the two hostages freed from Lebanon: ANTENNE 2 reporters Philippe Rochot and Georges Hansen. At the Quai d'Orsay, Jean-Bernard Raymond is in direct contact with Perez de Cuellar. Cabinet director Eric Demarest and his deputy, David Levitte, handle liaison. Meanwhile, up in Geneva, Gilbert Guillaume, who has been in the trenches since September 1985, and Chris Beeby, Wellington's deputy foreign affairs secretary, keep the direct lines of communication busy. The Elysee, through Jean-Louis Bianco, is kept abreast of the developing situation.

The French have pulled out all the stops in their efforts to soothe the New Zealanders, recalling all that the two countries have weathered together. Nothing is overlooked—the battle of the Dardanelles, the march across Tuscany afoot, and the taxis they shared on the way to Tobruk...



After each team had provided a memorandum summing up its position (the New Zealanders, as the "injured party" submitting theirs first, in strict adherence to duelling etiquette), the two sides on 19 June consented publicly, for the first time to abide by Perez de Cuellar's decision, whatever it might be.

Three of the four points at issue were quickly settled. An official letter of apology? France agreed. Chirac would rectify Fabius' missteps in the name of government continuity, not without a visible degree of satisfaction. Financial indemnification? The New Zealanders demanded \$9 million. The French countered with an offer of \$4 million. Perez held out for \$7 million (50 million francs). The trade war? What trade war? France would not oppose granting European visas to New Zealand butter shipments.

That left the Turenge business. David Lange said he had no objections to their leaving New Zealand territory, but balked, on principle, at simply releasing them. What do do now? Turn them over, perhaps, to the French authorities for confinement in some remote, secure place, isolated, and under constant surveillance? A military post would do. France provided Perez de Cuellar with a list of isolated and distant posts. The mediator won Wellington's consent to the atoll of Hao. "Broadway, it's not," David Lange told reporters. "There are no tourists, no bars, no restaurants. Mururoa is not all that far away. Three years will be ample time for them to contemplate the effects of radioactive fallout."

Alain Mafart and Dominique Prieur will be officially assigned to a 3-year tour of duty at the base on that tiny island. They will have no contact with the outside world, except for their immediate families. They will be watched constantly. They are not to make any statements to the press, nor may they allow themselves to be photographed.

#### Satisfaction Right and Left

Shortly before 0800 hours on 7 July, Jacques Chirac got the news: the deal was on. In the car taking Francois Mitterrand to the airport to catch his plane for Moscow, Chirac gave him the news. On his return to Matignon, he called a press conference, to which he also invited Dominique Prieur's husband, informing him of his wife's new duty post: Hao atoll.

In New Zealand, at the same time, David Lange had his hands full coping with reporters. They were tough. "A sordid deal!" said the NEW ZEALAND HERALD, drawing a somewhat tenuous parallel with the execution of the two young Australians hanged in Malaysia for possession of k80 grams of heroin. An opinion poll revealed that 63 percent of New Zealanders polled disapproved of the way the whole business had been handled, and the same number believed that Lange had gone back on his word.

Alain Mafart heard news of the deal over the radio in his cell. The chief jailer at the prison is going to miss him. Mafart had the best voice in the prison choir. Besides, he was learning Maori.

In France, hearty congratulations were exchanged all around on the happy outcome of the affair: Chirac, of course, and obviously Mitterrand, and Giscard d'Estaing, Rocard, Fabius, Hernu...

Is the case officially closed, then? Transporting the Turenges to an obscure French-owned atoll called Hoa, though, is certainly not likely to shed much light on the mystery surrounding that act of sabotage in Aukland...

Setting them free could lift the self-imposed vow of silence taken by the only people who know who gave them their orders to sink the Rainbow Warrior.

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CS0: 3519/220



END TO POLITICAL OPPORTUNISM SEEN BY WRITER

Sydney THE BULLETIN in English 15 Jul 86 pp 102-103

[Article by Lexy Hamilton-Smith]

[Text]

THE DAYS of political bed-hopping — where members of parliament and those who would be, swap allegiances at a whim — are drawing to an end in Papua New Guinea. Prime Minister and leader of the People's Democratic Movement Pias Wingti puts it bluntly: "If a man doesn't have my mark then he won't be able to use my name to win."

Sir Julius Chan, the Deputy Prime Minister and leader of the People's Progress Party, has also chided the opportunists of politics. Addressing the party faithful Chan said: "You should choose one political party and actively support it."

Even the Pangu Pati, PNG's longest surviving and most cohesive political party led by Michael Somare, has been urging political candidates to demonstrate party loyalty.

All of the major parties have reason to fear the influence of the legions of "independent" candidates who will come out of the wood work now that the national general election is only eight months away. Despite claims to the contrary none of the major parties enjoys enough support to govern outright. It will be the "Independents" who will decide election 87 by auction-

ing themselves to the power brokers. That is why Wingti, Chan and Somare are determined to force them to show their hands before the election campaign proper begins in March next year. If they succeed this time, it will bring on a fundamental change to the style of politics in Papua New Guinea.

Until now, rigid party-political candidature and voting has not really existed. Only Pangu Pati can claim the loyalty the average Australian politician or voter would understand. But Pangu's solidarity was born of a desire to make Papua New Guinea independent from its colonial masters rather than a generic political philosophy.

If "independents" can largely be eliminated there will be two main spin-offs for Papua New Guinea politics:

- Votes of no-confidence in the parliament such as the one Wingti used to unseat Somare, will become distinctly more difficult.

- Pork-barrelling electioneering, common in Papua New Guinea since the first free elections back in 1975, will begin to diminish.

Parliament itself may also become more stable. In every election since Independence, more than 60 percent of members have been defeated at the next election. Most who have fallen victim are "independent" MPs who aligned themselves with a major party purely as a matter of personal convenience and personal power. These are the men who fear no evil when contemplating crossing the floor to bring

down a prime minister. These are also the men who know no bounds to pork-barrelling in their desperation to get re-elected.

At election time, candidates can bald-facedly be politically ambidextrous. One candidate for the 1982 election had this political history: He had been a People's Progress Party candidate, helped form the United Party, supported the Somare government as an independent and then joined the "national alliance" government headed by Chan. In 1982 he ran as an independent who supported the Melanesian Alliance headed by Father John Momis.

The independents are being put under pressure now, because in Papua New Guinean terms, election '87 has already begun.

Wingti's Democratic Movement hopes to capture a block vote in the Highlands to give the party a strong central core to dominate any coalition that may have to be formed next June.

It is most unlikely the Democrats, or any party for that matter, can win enough seats in the 109-seat parliament to govern in its own right, although Somare is publicly saying Pangu can secure 80. Wingti will need at least 25 seats to be sure he can dominate any new coalition. He says he is confident he can capture 25 of the 39 seats in the Highlands. The problem confronting Wingti is to ensure as many people as possible "know" his face in the electorate. To this end he has been touring province after province, devoting up to a month away in the bush where 85 per cent of the population live.

Ostensibly Wingti's tours are to allow the people to know their Prime Minister. They are, in fact, a way of electioneering. Chan's People's Progress Party has also begun subliminal campaigning with tours of the provinces and plenty of pictures in the press dancing with matrons of assorted women's organisations.

Of all the parties Chan's is probably in the best shape to fight an election. He says he can expand his solid base of 12 seats to 35 by making in-roads into the Highlands, Sepik and Madang provinces.

Two smaller parties, the rightish National Party headed by recently knighted Sir Iambakey Okuk, and the leftish Melanesian Alliance headed by Momis are busy fighting internal battles and have not started active campaigning.

The last and smallest party, the League for National Advancement, which is a breakaway Pangu group, is trying to rally support among the intelligentsia and business bosses.

The League may play a vital role in Morobe province based on the city of Lae where it thinks it can divert the traditional Pangu vote. It is headed by Tony Siaguru, a one-time contender for the leadership of the Pangu party who became tired of Somare's style. Disillusionment with Somare also gave birth to Wingti's Democratic Movement. At various times in the past three years Wingti and Siaguru were Somare's heirs apparent. Both became frustrated when the "chief" showed no clear intention of stepping aside.

Three weeks ago, Somare's latest obvious successor, deputy Pangu leader Rabi Namaliu, went on record saying it is likely Somare would be asked to step down after the election, win, lose or draw. Somare himself says he will quit if his party wishes — but only after he becomes prime minister once again.

For Somare and Wingti the next six months are crucial as their launch-pads into the election campaign proper. Wingti has to somehow keep a disparate coalition, made up of his Democrats, Chan's Progressives, Okuk's Nationals and two smaller parties and some independents, from shattering into an ineffective collection of minor parties. The Democrats have no solid grass roots machine, yet they must devise a way of using Wingti's leadership strengths to full advantage.

For Somare September-October will be the testing time. He has the findings of the Pelair commission of inquiry hanging over his head. Somare estab-

lished the inquiry himself in 1985 after the Opposition claimed he intervened in a drug search aboard a Pelair aircraft at Port Moresby's Jackson's Airport in March that year. The Australian-based Pelair Pty Ltd has been accused of having connections with drug traffickers. The findings of the inquiry, which will be handed down on September 30, could make or break Somare.

Somare still has enormous respect at the grass roots level. More than 3000 people turned out to meet him recently when he arrived in Madang for Pangu's annual convention and its 19th birthday celebrations. He was carried head-high for at least two kilometres. The Father of Independence is, in the common man's mind, due much respect.

If the Pelair inquiry proves highly critical of Somare it may arouse new pressures for him to resign as Pangu leader, leaving the party in the hands of deputy Namaliu. If Somare survives Pelair, election 87 will come down to a three-way presidential-style battle between Wingti, Somare and Chan. □

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CSO: 4200/1289

MOCK MEETS AQUINO, GOVERNMENT OFFICIALS

AU010847 Vienna DIE PRESSE in German 1 Aug 86 p 2

/Special DIE PRESSE report by "hs"/

/Text/ Manila/Vienna--"In talks with all party leaders who have responsible functions in government I will personally speak for letting supportive action follow words." This promise to work on the international level for the granting of economic aid to the Philippines was given by OEVP Chairman Alois Mock after talks with President Corazon Aquino in Manila. Mock is staying in the Philippines on a factfinding mission in his capacity as chairman of the International Democratic Union (IDU).

Prior to the meeting with Aquino, Mock had talks with representatives of the government, the military, the opposition, the Constitutional Council, and the church. He met, among others, with Cardinal Sin, Defense Minister Enrile, Army Commander-in-Chief Ramos, and opposition leader Ople. Mock will present the Philippines request for economic aid to the delegates of the meeting of the IDU Steering Committee, which will begin next Monday /4 August/ in Sidney, Australia.

In his talks with DIE PRESSE Mock stressed that he will particularly ask the United States to give the Philippines the benefit of a "small-scale Marshall Plan" because the government in Manila is tackling the future seriously and with democratic credibility.

After his talks the head of the conservative international organization was impressed by the unanimous support for Corazon Aquino. Mock found that his interlocutors also agreed with Aquino's course of action concerning the strategy toward the communist rebels.

In addition to economic support and low-interest loans, democratic aid from abroad could also consist in political solidarity because the Philippines is in a transition period, Mock said. the IDU chairman was also particularly impressed by the "openness toward foreign visitors" demonstrated in Manila.

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CSO: 4620/63

## PHILIPPINES

### BRIEFS

MINISTER HITS 'INTERNATIONAL INFORMATION ORDER'--The Ministry of Information does not trust the so-called new international information order which was announced by the Third World. This was proclaimed by Information Minister Teodoro Locsin in a luncheon given by him to 30 ASEAN journalists. According to Locsin, developmental journalism is what he refers to as envelopmental journalism, for the money it uses comes from the government. [Text] [Laoag City Nation Broadcasting Corporation Station DWRI in Ilocano 0400 GMT 28 Jun 86] /9604

CSO: 5500/4331

## PETROCHEMICAL TRADE WITH CHINA INCREASES

Kuala Lumpur NEW STRAITS TIMES in English 17 Jul 86 p 10

[Text]

SINGAPORE, Wed. — China has substantially increased its purchase of petrochemical products from Singapore, helping the island state to double its exports to that country in the first five months of this year.

According to a Trade and Development Board (TDB) statement released yesterday Singapore's petrochemical complex companies were now exporting about 25 per cent of their total production to China.

Export of petrochemicals accounted for the bulk of increase in the island's domestic exports to China, which in the first five months totalled

S\$262 million, the TDB said.

During the same period last year, Singapore's exports to China were S\$133 million.

The statement said TDB chairman Chandra Das, who met a visiting six-member Sinochem delegation yesterday, had urged China to increase its volume and scope of business with the island republic.

China buys petrochemicals direct from Singapore and rubber through its Hong Kong company, China Resources Co. It sells petroleum, petroleum products, crude oil, chemicals, dye stuff, agro-medicine and rub-

ber products to Singapore.

Sinochem has since 1983 set up a representative office in Singapore, which largely buys the petrochemicals and handles the refining of Chinese crude at the refineries here.

Between five to six million tonnes of Chinese crude were processed by the Singapore refineries last year, which also accounted for about 15 per cent of their total capacity of operation, the TDB said.

During the first months of this year, bilateral trade between the two countries was estimated at over US\$1 billion (M\$2.6b). — ST.

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CSO: 4200/1288



## COUNTERTRADE FIRMS WOODED WITH 5-YEAR TAX CONCESSION

Kuala Lumpur NEW STRAITS TIMES in English 18 Jul 86 p 10

[Text]

SINGAPORE, Thurs.

In a bid to lure international countertrade services companies to Singapore the government has approved a five-year tax concession for pioneers in the industry.

A Trade and Development Board (TDB) statement yesterday said the move was in line with the government's desire to develop Singapore into a countertrade services centre.

The tax scheme is now actively being promoted among international countertrade companies identified by the TDB's overseas offices, the statement said, adding that this was the first time trading activity had been granted pioneer status here.

Announcing the guidelines for the tax incentives, the board said a separate company should be formed here to engage only in countertrade activities and at least either the financial or physical movement of goods must

be through Singapore.

The incentives offer full income tax exemption on profits arising from countertrade activities for five years, with extension based on favourable review.

TDB Chief Executive Officer Yeo Seng Teck said that with the incentives the board would be in a better position to attract major international countertrade companies to base their operations in Singapore.

He said countertrade activities would have substantial spin-offs for other sectors of the economy such as banking, insurance, telecommunications, shipping and port-related services.

With their international trade network, countertrade companies will also help to export Singapore manufactured products and services. But the incentive is not aimed at only international firms.

Mr Yeo also said the board was keen on encouraging more established Singapore trading companies to venture

into countertrade activities.

"We will even relax our conditions and make it easier for them to qualify for pioneer status," he added.

He acknowledged that Singapore was competing with other equally attractive and low-tax locations in Europe and, specifically, Hong Kong in this region.

But he added that a free trade environment, and excellent infrastructure and international communication links made Singapore an ideal place for international trade.

The establishment of countertrade services in Singapore was among recommendations made by the powerful Economic Committee which looked into the ills of Singapore's economy early this year.

Singapore's gross domestic product declined by 1.8 per cent in 1985 and the republic has since been restructuring its commercial and industrial set-up. — Agencies

/9317

CSO: 4200/1288

SUPREME COMMAND ON U.S. ARMS DEPOT, WEAPONS PROCUREMENT

Bangkok NAE0 NA in Thai 9 Jun 86 pp 1,3

[Article: "Joint Arms Depot Nearly Settled, Thailand Requests a Reduction in Funding"]

[Text] The Thai-U.S. arms depot project which will soon be a reality has run into a major problem. The United States wants to split the costs. Thailand bargained very little over those parts of the law certain to pass the U.S. Congress. Arms merchants come in high spirits to meet the new army commander.

A highly placed source in the Supreme Command Headquarters revealed the progress made in establishing an arms depot after the U.S. Defense Department sent an initial draft proposal via the U.S. ambassador in Thailand to General Prem Tinsulanonda, the Prime Minister, in his position as Minister of Defense since the end of last April.

After that the project group which was headed by Vice Admiral Yongyut Suphakalin, Director of Joint Logistics, quickly studied the U.S. proposal in detail in order to find ways of bargaining which would gain the greatest possible advantage for the Thai side from the establishment of this joint arms depot.

The high official in the Supreme Command Headquarters revealed that the important area on which the Thai side will bargain with the United States concerns the expenses. Initially the United States recommended that the two sides each pay half the cost of supplying the depot. The Thai side will bargain to pay as little as possible.

"We do not have a budget of many hundreds of millions sufficient for this expenditure," the source insisted and said that Thailand must also bargain about the type of military equipment which will be stored at the arms depot because the weapons used in the armed forces are not just bullets or spare parts. Some are used just once such as the various kinds of rockets.

The source said that the United States had indicated that it would take care of the difficulty over the U.S. law forbidding the establishment of arms depots in foreign countries with which there was no agreement [for a depot]. This is not considered to be a major obstacle.

Now the Thai side is studying ways of bargaining seriously with the United States, and it is thought that a reply accepting the proposal will be ready to be sent to the U.S. Defense Department at the end of this month.

"There probably will not be any difficulty. The arms depot must definitely be set up. But we will have to bargain over details to gain the maximum advantage," the official in the Supreme Command Headquarters insisted.

With regard to the procurement of weapons for the armed forces a source in the antiaircraft artillery division said that early in July Major General Wirot Saengsanit would travel to England to buy a number of 40 mm antiaircraft guns.

"In this purchase we are looking for old weapons from England because the armed forces do not have the budget to buy new equipment," the officer in the antiaircraft artillery division said.

The officer also revealed that now many arms merchants have started to come to propose sales or propose improvements in weapons systems for the armed forces since General Chawalit Yongchaiyut became army commander; they believe that the weapons procurement policy will change after so many projects were halted during the period when General Athit Kamlangek was the army commander and the army budget was limited.

This is especially true of the project to recondition the 200 M-41 tanks. Many companies have begun to make proposals to the army to recondition the fire control equipment and the tank cannon.

In any case this source revealed that the army still has not shown any great interest in reconditioning as it is assessing whether purchasing a number of medium tanks in addition would be more advantageous than reconditioning old equipment.

"As soon as we began to think about it, many companies who have brought tanks for demonstrations began to get in touch again," the official said in closing.

8149/12951

CSO: 4207/274

THAILAND

CARTOON SCORES U.S. CAPITALISM, POLICY ON DEVELOPING WORLD

Bangkok DAO SIAM in Thai 13 Jun 86 p 5

[Cartoon]



11943

CSO: 4207/288

ACM SITTHI CLAIMS PRK LAND, SIHANOUK WANTS NEGOTIATIONS

Bangkok NAEO NA in Thai 7 Jun 86 pp 1, 2

[Article: "Wait Until the Khmer Win Then Discuss 'Khao Phra Wihan'"]

[Text] The Minister of Foreign Affairs answered questions about an unusual goal of the Prime Minister expressed when he emphasized that Khao Phra Wihan was Thai, that we would like to get it back, and that Sihanouk had agreed that if the Vietnamese were beaten then he would have Khao Phra Wihan become a joint historic site of Thailand and Kampuchea. The Foreign Ministry emphasized that it probably was Thai and that after the situation in Kampuchea was past there would be further talks about it.

Air Chief Marshall Sitthi Sawetsila, a Deputy Prime Minister and Minister of Foreign Affairs, gave an interview to reporters on the morning of 6 June about the view of General Prem Tinsulanonda, the Prime Minister, that Khao Phra Wihan was Thai and Thailand would like it returned. He said that Prince Sihanouk, the President of Democratic Kampuchea, had said that if the three Kampuchean groups were able to save their country then he felt that Khao Phra Wihan should become jointly Thai and Kampuchean.

"In this regard if the three Kampuchean groups win there might be a change to joint ownership, and we will wait until that time to have new talks," the Deputy Prime Minister and Minister of Foreign Affairs said.

Air Chief Marshall Sitthi expressed the opinion that Khao Phra Wihan ought to belong more to the Thai side when one considers the natural setting along the Thai border. But a treaty was signed involving a map of the area and Khao Phra Wihan ended up as Kampuchean according to the verdict of the World Court.

Air Chief Marshall Sitthi answered a question about the possibility of correcting this unfair treaty so that Khao Phra Wihan would return to Thailand; he said that we should wait until the situation in Kampuchea quiets down and then talk about it again.

As concerns Khao Phra Wihan, when General Prem Tinsulanonda went to Sisaket Province on 5 June, he tried to question the villagers about Khao Phra Wihan and emphasized to the citizens who came to see him that Khao Phra Wihan was Thai and that Thailand would like to get it back.

8149/12951

CSO: 4207/274

## THAILAND

### SRV NAVAL OPERATIONS, THAI RESPONSE IN GULF NOTED

Bangkok NAE0 NA in Thai 11 May 86 p 7

[Unattributed report: "Thai Territorial Waters Near the Cambodian Border, the Navy's Task of Defending the Country"]

[Excerpts] The 260-km sea border from the tip of Khao Ta Kok in Chanthaburi Province to Ban Hat Lek in Trat Province, which forms Thailand's eastern border, can be crossed easily by foreign invaders and so it is the responsibility of the Chanthaburi-Trat Border Defense Forces, which are presently commanded by Vice Admiral Kasem Mekloi, the commander of the Marine Corps. The main duty of these forces is to defend the border here. The combat forces have been divided into two units, the Marine Special Action Unit and the Trat Special Action Unit. A strategic plan has been formulated in order to close the entire Cambodian-Thai border.

Besides this, these forces must also intercept Vietnamese refugees coming in by boat, suppress piracy, smuggling, and illegal fishing activities such as fishing out of season, and provide help to Thai fishermen.

The reason why the navy has to monitor the border here is that along the mountain ridge that separates Thailand from Cambodia, we are at a great disadvantage from the plains to the ridge. On our side, the slope is very steep. If fighting broke out, either as a result of an invasion or harassing actions, we would be at a disadvantage if we used ground forces only. Thus, we have to use naval forces, that is, the patrol boats Sukrip and Adam, to provide support fire using flat trajectories. These boats are constantly on the alert.

Statistics show that during the period October 1985 to May 1986, 106 Cambodians who had crossed into Thailand illegally were arrested in 25 different incidents. A total of 968 Vietnamese were arrested in 105 different incidents. A total of 18 Vietnamese soldiers were captured in 11 separate incidents. This shows that the situation along the border here is not quiet or safe. Also, by itself, Vietnam would not have enough money to purchase sufficient weapons and war materials to carry on such operations without the support of a great power.



What is disturbing about the situation today is that there is much activity at the Cambodian naval bases in Ream and Sihanoukville, which are only about 30 nautical miles from Ban Hat Lek on the Thai border. Their naval forces are holding many training exercises. That is, every 7 days, about seven warships and one submarine hold maneuvers.

Because the Thai government's policy is defensive rather than offensive, all activities, regardless of whether it is increasing manpower or providing additional weapons, depends on higher echelons. The soldiers stationed on the border can fire at the enemy only if they are fired on first. As a result, the enemy frequently carries on harassing activities. Because of the nature of the tasks assigned it and because of budgetary restrictions, our navy is at a disadvantage as compared with our neighbor, which receives much support from a great power. However, none of our sailors has ever complained or become discouraged. Instead, they have shown great courage. They are proud of being sailors, and they are proud of their role in defending Thailand's territorial waters.

This is the rainy season and so the Vietnamese cannot launch a major operation against the Khmer coalition forces. This is because they can't use tanks along the border, and logistics is difficult. Besides this, the Khmer coalition has strong forces that are capable of operating as far inside Cambodia as Battambang and the Tonle Sap. Because of this, the Vietnamese have reduced the number of border operations.

"If the Vietnamese manage to suppress the Khmer coalition, Cambodians will probably stop fleeing to our country. If they don't succeed in suppressing them, who won't have to take care of them and our crops and villages won't be damaged. Last year, when the Vietnamese launched heavy attacks against the Khmer coalition forces, tens of thousands of Cambodians fled across the border, which resulted in heavy crop losses," said Rear Admiral Dilok Phatthongkoon, the secretary of the navy, when he took reporters to observe the situation along the Chanthaburi-Trat border on 8-9 May.

During the past 2 months, there have not been any clashes as serious as that at Ban Chamrak on 22 April 1985 when Vietnamese forces intentionally invaded Thailand, claiming that they were pursuing Cambodian forces. On that occasion, it took marines, thahan phran irregulars, and border patrol police forces 15 days to retake the occupied territory and expel the Vietnamese forces.

"The Vietnamese have installed two 155-mm guns on Yo Island near Khlong Yai District. They sometimes fire the guns at us just to practice. Our patrol boats have to return the fire. But they are at a higher elevation and so they can see us clearly. We are at a disadvantage," said Cpt Krayim Phichai-kun, the commander of the 1st Border Patrol Squadron, to the reporters about the situation along the sea border.

Vietnam, which has begun building up its forces at the port of Kompong Som, has not yet taken any action that poses a threat to our security. As long as we maintain strong forces and have a strong fence, the enemy won't dare launch an attack. But if we are weak, the enemy might launch an attack. Thus, if our

naval forces aren't ready and don't go on patrol frequently, the enemy might take the opportunity to launch an invasion. For this reason, the Chanthaburi-Trat Border Defense Forces must continue to carry out their duties. Everything depends on the situation in Cambodia.

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CSO: 4207/284

## THAILAND

### VIETNAMESE IN YASOTHON PROTEST ENVOY SPOUSE TREATMENT

Bangkok NAE0 NA in Thai 11 Jul 86 pp 1, 16

[Unattributed report: "Vietnamese in Yasothon Unhappy Over Arrest of the Wife of the Embassy Secretary"]

[Excerpt] About 100 Vietnamese refugees in Yasothon held a demonstration to protest the arrest of the wife of the Vietnamese embassy secretary. They claimed that she has diplomatic privileges and can travel anywhere she wants without having to inform Thai officials. But Thai officials insist that, by law, she must keep them informed. The police sent detectives to monitor things out of fear that things might turn violent. But the Vietnamese refugees remained peaceful for the most part. The Vietnamese ambassador met with the director-general of the Political Department and said that the woman arrested had gone to see her parents after a separation of more than 10 years.

After police officials from the Yasothon provincial police station in Muang District arrested Mrs Nguyen Thi Thuat, a Vietnamese refugee who was initially thought to be the wife of an official accompanying the secretary of the Vietnamese embassy, on charges of being a Vietnamese refugee who had left the designated area without permission on 8 July, a report from a senior official in Yasothon Province stated that Mrs Nguyen actually was the wife of Mr Do Can Duong, the third secretary of the Vietnamese embassy. At present, police officials are waiting for orders from the Ministry of Interior before taking any further action in the case.

A news report from Yasothon Province reported the reaction of Vietnamese refugees to the arrest of Mrs Nguyen Thi Thuat. The report stated that approximately 100 people held a meeting at the home of Mr Lee, a Vietnamese refugee who works as a furniture maker in Yasothon City. The report said that these Vietnamese refugees complained that Thai officials had acted improperly, because Mrs Nguyen was carrying a document issued by the embassy and could travel anywhere she wanted without having to inform Thai officials in advance. But the demonstrators acted peacefully and waited to see what action Thai officials would take. However, police officials sent agents to keep a close watch on the Vietnamese refugees in order to ensure that the situation did not turn ugly.

One senior official in Yasothon Province discussed the charge against Mrs Nguyen. He said that even if she did have a document from the embassy, according to the law, she is still required to inform Thai officials 3-5 days in advance before leaving the area. Thai embassy officials in Vietnam are treated the same way by Vietnamese officials. He said that a background investigation on Mrs Nguyen revealed that she is 40 years old. She is the daughter of Mr Phuc Nghien Van and Mrs Kit Nghien Thi, who work as hog butchers and pork sellers.

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CSO: 4207/284

SEMINAR DISCUSSES POTENTIAL FOR BETTER RELATIONS WITH LAOS

Bangkok NAE0 NA in Thai 22 Jun 86 pp 1, 2, 16

[Article: "Improve Thai-Lao Relations for the Peace Year"]

[Text] At the seminar of the international peace year project in Bangkok there were demands that Thailand and Laos improve relations. The scholars felt that if [Thailand and Laos] gave up their philosophical differences they could achieve peace and would be able to cooperate in trade and cultural exchanges. And an economist from Germany pointed out that the shutting off of trade across the border from Thailand forced Laos to depend on Vietnam even more.

The seminar was organized by the Chulalongkhon Social Research Institute and the committee to organize the 1986 peace year project at Chulalongkhon University and was held on 21 June. Scholars, writers, historians, correspondents, representatives of international organizations, students and representatives of the Lao embassy joined in--between 40 and 50 people. There were presentations about Thai-Lao relations with regard to history, international relations, culture and economics.

Assistant Professor Dr Surachai Sirikrai of the Political Science Department of Thammasat University gave a wide-ranging talk about Thai-Lao relations at present, pointing out the four problems which are causing the conflict: the refugees, the rightist Lao movement in Thailand, the problem of Laos giving sanctuary and support to the new communist movement, the problem of the border and the problem of foreign policy, which all cause "mutual distrust."

Mr Songuan Bunrot, an expert in art and culture who had worked in Laos for 10 years, gave a talk on Thai-Lao relations in this field. He pointed out in closing that even if the political ways of the two sides are different nevertheless in cultural relations there are no difficulties and that this could be used to create good relations by having cultural exchanges between the two sides.

Dr Surachai said that "the obstacles for good Thai-Lao relations are large and can only be overcome by political talks between the two countries." He stressed that the leaders of the two countries must maintain the principle of equality and respect their different political philosophies.

But at the same time Dr Surachai pointed out that improving Thai-Lao relations would be easier "if the problem of Kampuchea was over and the conflict between China and Vietnam and the Soviet Union was over."

Dr Hans Luther, who is a German economist and a professor in the Economics Department of Thammasat University cited an important principle of trade which was that each day that trade to Laos is blocked Laos must unavoidably depend on Vietnam more and more.

Dr Luther said that Thailand and Laos have had trade relations for a long time and many opportunities have been lost in the past year because of "difficulties of the systems of government and political considerations," In his opinion the Thai side should consider reducing the number of "strategic goods" in order to help Laos develop its economy.

At the same time this economist felt that a free market policy would help reduce the political tension in the region and would help improve the atmosphere of peaceful coexistence for both sides. This would help bring peace to Southeast Asia.

The seminar concluded that the Mekong River should be a peaceful border as specified by the Thai-Lao joint communique of 1979 and demanded that both sides be sincere and demonstrate their intentions of creating a friendly atmosphere and holding talks to solve all the problems between them by diplomatic methods.

The seminar also proposed a concrete course of action: educate the people of both sides so that they know each other better, have exchange visits, cultural exchanges, performance exchanges, scholar exchanges, student exchanges and have joint regional celebrations.

The committee to organize the 1986 peace year project also had a project to "launch a Thai-Lao peace boat" at the end of the year, but there has been no progress yet.

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CSO: 4207/274



THAILAND

CABINET APPROVES RELAXATION OF CHINESE TRAVEL BAN

Bangkok NAED NA in Thai 25 Jun 86 pp 1, 2

[Article: "The Council of Ministers Changes the Law Concerning the Children of Chinese Returning to Thailand"]

[Text] The Council of Ministers approved the proposal of the Ministry of Foreign Affairs to review the proclamation of the Revolutionary Council forbidding native-born children of Chinese who have gone to China from returning to Thailand. The reason given was to encourage investments especially from Hong Kong.

Mr Trairong Suwansiri, a spokesman for the office of the Prime Minister, announced that the meeting of the Council of Ministers held at 1600 hours on 24 June at the government building passed a resolution approving the proposal of the Secretariat of the National Security Council. The Ministry of Foreign Affairs had recommended that the Secretariat of the National Security Council review the resolutions of the Council of Ministers defending against communism as announced by the Revolutionary Council specifically that section forbidding Chinese and native-born children of Chinese who have gone to China from returning to Thailand. The reason for this was that the government has a policy of promoting investment by allowing foreign investors, especially from Hong Kong, to invest in Thailand.

The spokesman for the office of the Prime Minister also announced that since relations between Thailand and China were good now unlike the past, we ought to relax the regulations making Chinese and native-born children of Chinese unable to enter Thailand because they were in a forbidden category so that they could return to invest and earn a living. What are being considered are those cases involving temporary residence in Thailand. Permission will be considered according to exist-laws and regulations and must be coordinate with the National Security Council and the Office of National Intelligence in order to supervise the entrance of these people so that they do not affect national security.

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## THAILAND

### MALAYSIAN ATTACK ON FISHERMEN CONTINUES TO DRAW REACTION

#### Editorial Wants Solution 'In Spirit of ASEAN'

Bangkok MATICHON in Thai 11 Jul 86 p 6

[Editorial: "Malaysia Has Fired on Thai Fishing Boats"]

[Excerpt] At present, it's impossible to say whether Malaysia has begun implementing a harsh policy in order to crush Thai fishermen. A report in the NEW STRAIT TIMES stated that the Thai fishing boat resisted arrest and tried to ram the Malaysian patrol boat. Because of this, the Malaysian police had to use their guns. In this matter, Thailand has to listen to the testimony of the Thai fishermen who underwent this ordeal before it can decide whether Malaysia has implemented a policy of suppressing Thai fishermen.

Actually, Thai and Malaysian officials have been working to solve this problem for a long time. It has been agreed that Thailand and Malaysia will invest jointly in fishing operations. This agreement is just an agreement in principle. No concrete action has been taken. This is because of opposition by Malaysian fishermen in Kelantan State. They oppose this agreement, claiming that Thailand's fishing equipment is superior to that used by Malaysian fishermen, who do not use mechanized means.

We would like to stress once again that as close neighbors, Thailand and Malaysia should take quick action to solve the problems that have arisen. The fishing problem is just a thorn in the foot. But if force is used in suppression operations, it will mean that the wound has become infected and could become very serious. Both sides must take urgent action to remove the thorn before it becomes infected.

In the past, Thailand and Malaysia have overcome even greater obstacles to relations than this. Examples are political problems, the Chinese communist problem, and border problems. These are all much more sensitive matters than the issue of Thai fishermen fishing in Malaysia's territorial waters. The two sides should cooperate in solving this problem and find a way to share the fishing profits fairly. Thailand has modern equipment, and Malaysia has the resources. Public relations activities must be carried on to make Malaysian fishermen understand. This should be possible if we cooperate in the spirit of ASEAN.

## Fisheries Spokesman Notes Previous Dispute

Bangkok BAN MUANG in Thai 12 Jul 86 pp 1, 16

[Unattributed report: "Department of Fisheries Confirms Rights to Territorial Waters, Protests Malaysia's Use of Force"]

[Text] On 9 July, a Thai fishing boat was fired on by a Malaysian warship near the sea border between the Kolok River and the Malaysian city of Kota Bharu. The Malaysian ship fired several rounds, killing one man and injuring another. Five men were arrested.

Mr Plotprasop Suratwadi, the deputy director-general of the Department of Fisheries, talked with reporters on 11 July 1986. He said that the area where this took place is a problem area. The agreement reached by the governments of the two countries states that both Thai and Malaysians can make use of this area. In particular, they can operate as in the past in order to avoid disputes. This is a problem area, and an agreement has been reached in order to avoid problems. But violence occurred even though those who were armed should have showed understanding. Because fishermen are not criminals. It would be a different matter if they were smuggling goods or contraband items. In the name of the Thai government, he asked Malaysia to help relax matters. Because we are neighbors.

The deputy director-general of the Department of Fisheries said that we have to engage in fishing operations in that area. "We have the right to fish there. As for their claim that our boat rammed them and then tried to escape, that seems unlikely. How could a Thai fishing boat ram a warship? That's like a sailor ramming a truck. How could it escape after such a collision?" Recently, senior Thai officials conducted negotiations with them and reached an understanding. But unfortunately, their navy was not informed of this. We were expecting something like this to happen. Thai fishermen have constantly been warned not to oppose those with weapons. It's unlikely that our fishermen offered resistance.

A reporter asked whether something like this had ever occurred before. Mr Plotprasop said that 2 weeks ago, armed men robbed two Thai boats in Malaysian waters. Malaysian officials were informed. To solve this problem, the two governments must hold talks. One solution is to conduct fishing activities jointly, as was agreed on previously by the prime ministers of the two countries. But Malaysian officials have not respected the agreement reached by their prime minister and so this can't be done. The Department of Fisheries has recommended that the Ministry of Foreign Affairs file a protest about this. An urgent meeting, chaired by the governor of Songkhla Province, will be held in order to solve the Thai-Malaysian territorial water border problem. Those at the meeting will discuss long-term solutions to this problem.

## Editorial Asks Naval Protection

Bangkok BAN MUANG in Thai 14 Jul 86 p 4

[Editorial: "The Thai-Malaysian Territorial Waters Problem"]

[Text] Mr Khli Ruangrong, the president of the Songkhla Provincial Fishing Association, talked about the incident in which a Malaysian patrol boat fired on a Thai fishing boat, killing one of the crewmen. He said that that Thai boat was definitely fishing in Thai territorial waters. The two countries have not yet reached a definite decision about where the sea boundary is and so Malaysia overreacted in this case. In cases involving Malaysia's territorial waters, the Thai government is very weak and doesn't do as much as it should to protect Thai fishermen. Malaysia, on the other hand, has seized tens of Thai fishing boats. Thai patrol boats rarely go out on operations to monitor things in these waters. But when they do, Malaysia doesn't dare interfere with Thai fishing boats.

This territorial waters issue has been a problem for many years. Most of the losses have been suffered by Thai fishermen. Many Thai fishing boats have been seized. Fishermen have been arrested and jailed and forced to pay fines. Frequent requests have been made to have the government or officials, including the marine police and navy, protect the lives and property of Thai fishermen. But neither the government nor the officials responsible has shown much interest in this. They have allowed Thai fishermen to be harassed constantly even though Thailand and Malaysia have good relations. The government should negotiate an agreement. And because it has not been possible to demarcate the sea border clearly, the government should take steps to protect the fishermen by sending boats out on patrol instead of just squeezing taxes from people.

Mr Plotprasop Suratwadi, the deputy director-general of the Department of Fisheries, said that this incident took place in an area that has had problems before. According to an agreement reached by the governments of Thailand and Malaysia, people from both countries can make use of these waters. And it was agreed that the use of force would be avoided in this area. But Malaysia sent an armed boat to fire on a Thai fishing boat. Malaysia overreacted and violated the agreement. As for their claim that the Thai fishing boat rammed the Malaysian warship, that is impossible. That's like saying that a sailor rammed a truck. Besides the fact that Malaysia has sent warships into this disputed area, acts of piracy have been committed against Thai fishing boats. Thailand has asked for cooperation but to no avail. This shows that the Malaysian government and Malaysian officials are not being sincere with Thailand. Thus, the Thai government should quickly reach a new agreement with Malaysia.

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CSO: 4207/288

THAILAND

CARTOON VIEWS RELATIONS WITH INDOCHINA

Bangkok LAK THAI in Thai 17 Jul 86 p 12

[Cartoon]



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THAILAND

CHALOEN YUBAMRUNG NOTES SUPPORT FOR ATHIT

Bangkok NABD NA in Thai 5 Jul 86 p 7

[Interview with Police Cpt Chaloen Yubamrung, the leader of the Mass Party, by Wanchai Wongmichai; date and place not specified]

[Excerpt] [Question] Ever since Gen Athit was dismissed from his position as RTA CINC, there have been rumors that the parties that support Gen Athit, including the Mass Party, have begun to waver and decline. Is this true.

[Answer] I have written that I do not support Gen Prem, and I have constantly said that I support Gen Athit. There has been increased support. Because Thai people feel sorry for those who have been persecuted. I think that the government acted too hastily when it dismissed Gen Athit from his position as RTA CINC. That was a very important policy for a caretaker government. People feel that this was done in a bid for political power.

Another thing is that the people have shown great interest in the party that supports Gen Athit, because I have a clear standpoint. Even though Gen Athit now holds the single position of supreme commander, I still support him. He has said that he has not interfered in politics. Thus, the military can't place itself above the political parties if the RTA CINC is against that.

[Question] Is it true that Gen Athit has given financial support to the party that supports him and used his influence on its behalf?

[Answer] Here, at this temple (Wat Ratchaburana), I want to say that he has never given us any financial support. I am not close to him personally. But I admire him for having the courage to act and speak out. I like people like that.

Actually, if our party won a majority of the seats, I would like to be prime minister. But I don't have the prestige or qualifications. Some people have said those things in an attempt to smear us. My bank account has been audited on the order of senior people in the government. They found that I got the money to engage in politics from mining activities. And I have mortgaged land. They audited my accounts. Everything has been cleared up.



The government thinks that we have received money from Gen Athit. I swear that he has not given us 1 baht. We don't need to discuss money. We have our own standpoint. If we play politics, whom we support is a matter of political direction rather than profits or assets. And the people of Bangkok can't be bought. As for influence, no one wields influence in Bangkok. No one can compel others to do something. No matter what your rank, you can't get the people here to do something unless they want to.

But some people who like Gen Athit are supporting the Mass Party. During speeches, when I have voiced support for Gen Athit, people have come and shaken my hand and said that they like Gen Athit. This is the influence. The last time that I saw Gen Athit was before I announced my candidacy and gave my first speech. We are not close personal friends.

[Question] When you talked with Gen Athit, what did he say concerning the Mass Party supporting him for prime minister?

[Answer] At the time that I talked with him, I had not yet announced my support for him. I went to see him before parliament was dissolved. I went with MPs from the northeast. I have not seen him since parliament was dissolved.

[Question] Will Gen Athit become involved in politics in the future?

[Answer] He will retire soon. He is probably interested in politics. Just before the election, I will try to see him. I will tell him what the campaign situation is like and tell him that I support him. I will tell him what the response of the people has been. He can then decide whether to become involved. I definitely plan on seeing him just before the election.

[Question] How likely is it that he will get involved and become the leader of the Mass Party?

[Answer] I am sure that he is thinking about getting involved in politics. As for whether he will become the party leader, we have never discussed that and so I can't speculate on what he will do.

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## THAILAND

### ARMY SEEKS SPECIAL FUNDS FOR ROYAL PROJECT

Bangkok NAO NA in Thai 13 Jul 86 pp 7, 10

[Unattributed report: "Army Requests Special Funds for the 'Kaset Ruam Chai' Project in Honor of the King"]

[Text] The army has requested special funds totaling 27 million baht for fiscal year 1987 in order to implement the Kaset Ruam Chai project, which calls for establishing various agricultural development centers in the Khao Cha Ngok area near the new site of the Chulachomklao Royal Military Academy. This project is in honor of the king's 60th birthday.

A news source in the army told NAO NA that the army has requested 27 million baht in special funds in order to implement a project in honor of the king on his 60th birthday. This project is called the "Kaset Ruam Chai" project. It involves establishing various agricultural centers in the Cha Ngok foothills in Phromni Subdistrict, Nakhon Naiyok Province. The project area totals approximately 2,150 rai.

The king once thought about developing the Khao Cha Ngok area, which is a wilderness area that is unsuitable for farming, using the army as the activist in developing the area. The other units concerned were to cooperate with the army. But then the army used part of this area to build a new CRMA campus. Thus, the area to be developed has been shifted closer to the Cha Ngok foothills.

Besides this, the army has also turned the project into an all-round agricultural development project. Producers and consumers will live in the same area. The middlemen will be eliminated. Producers who will be allowed to live in the project area include reservists and villagers from that area. They will produce various types of agricultural products, including vegetables, fruit, and upland field crops, and raise aquatic animals and livestock. There will also be a rice farming system and modern demonstration plots. Besides this, some of the produce will be processed for direct sale to the consumers. The consumers in this project include the CRMA campus at Khao Cha Ngok and some units of the 1st Army Region.

Another objective is to have this area serve as an important provisions support area for the military during wartime.

The same news source said that the 27 million baht requested are special funds that must be used in fiscal 1987. And these funds must be used as project revolving capital that can be recovered so that the army can use the money for other projects in the future.

A senior official in the Budget Bureau told NAE0 NA that the Budget Bureau has received the army's request. After the Budget Bureau has considered the matter, it will be submitted to the cabinet. If the cabinet approves this, it must then be submitted to the House Budget Subcommittee, which will consider cutting the fiscal 1987 budgets of various projects and units in order to provide funds for this special project.

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## THAILAND

### STATISTICS CHIEF FEARS INCREASED UNEMPLOYMENT

Bangkok NAE0 NA in Thai 27 Jun 86 p 9

[Article: "Fears of a Labor Crisis, Three Groups Forced Out of Work"]

[Text] The Secretary General of the National Office of Statistics has projected that the problem of unemployment will become more serious in 2 to 3 years if the government does not hurry to improve its economic policy. It was revealed that there were three groups which caused alarm: those who lost their jobs, those who sought their fortunes abroad and then returned to look for work in this country, and those workers with an education.

On 25 June Thammasat University together with the Human Resources Institute organized a seminar on the "policies toward and problems of unemployment" at Thammasat University.

Mr Niyom Parakham, the Secretary-General of the National Office of Statistics was one of those leading the seminar. He said that there are now 27 million people of working age but only 25.3 million have work. There are 1.7 million people out of work or 6.3 percent of all the people working age.

Of these people of working age 50,000 are employers, 3.6 million are day laborers, 1.5 million are government officials and government employees, 2.7 million are employees of state enterprises, 8 million are self-employed and 13 million work in their household without pay.

Of those of working age, three out of four work in the agricultural sector. The rest work in the industrial, trade and service sectors.

Of the jobless the group which causes concern includes the 110,000 who have finished professional training and the 56,000 who have received degrees.

The total unemployment of this group is increasing because the demand for labor of the government sector does not increase more than 2 percent per year and the economy is dropping so that the demand for labor by the private sector is limited.

The projection for unemployment in 2 to 3 years is that it will be worse if the government does not change its economic policy and take quick steps to solve the problem of unemployment.

The workers whose futures cause concern make up three large groups: 1) workers in the private sector who were fired or let go and government workers who were let go because the government used up its budget to hire temporary workers, 2) workers who went to work in foreign countries and have returned to look for work in this country, and 3) new workers who have completed a good education and total more than 250,000 while the job market can only take 20,000 to 25,000.

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CSO: 4207/274

## THAILAND

### BRIEFS

AIR FORCE PROMOTES PREM--The air force held a ceremony to present an air chief marshal's uniform to Gen Prem Tinsulanon, the prime minister. The ceremony was held in the courtyard in front of air force headquarters at Don Muang on the morning of 4 July. Air Chief Marshal Praphan Thupatemi, the RTAF CINC, presided at the ceremony. Gen Prem was also given the insignia of an air force pilot and the air base defense insignia. The prime minister then inspected the troops before leaving. Gen Prem was appointed air chief marshal and admiral on 26 May 1986. [Text] [Bangkok NAO NA in Thai 5 Jul 86 p 16] 11943

CSO: 4207/284



COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

DK TROOP PRESENCE IN THAILAND NOTED, WEAPONS SEIZED

Bangkok BAN MUANG in Thai 3 Jul 86 pp 1, 16

[Unattributed report: "Suppression Division Stages Jungle Raid, Seizes Weapons"]

[Text] Suppression Division officials staged a raid in Trat Province along the border with Cambodia. They found a large number of weapons hidden in a forest preserve in an area where Khmer Rouge troops had been present just 2 days before. Quartermaster Division officials, who are experts concerning explosives, had to be called in to clear the area using mine detectors. Officials had to walk more than 10 km through the jungle.

Acting in accord with Police Department Order 1/317 to mobilize forces to suppress crime involving hired gunmen and war weapons both before and after the election, Police Lt Gen Samoe Damaphong, the commissioner of the Central Investigation Bureau ordered Police Maj Gen Bunchu Wankanon, the commander of the Suppression Division, and Police Col Phat Duangrit, the deputy commander of the Suppression Division, to conduct investigations in each of the police precincts where they had jurisdiction. Police Col Naret Kunwat, the superintendent of Precinct 4, Suppression Division, and Police Lt Col Praasan Thanasukan, the deputy superintendent of Precinct 4, learned that weapons had been hidden in the Khao Noi area, a national forest preserve located near the Cambodian Border in Dan Thumphon Subdistrict, Bo Rai District, Trat Province, and that this was a meeting area where weapons transactions were conducted.

On 1 July 1986, the team of police officials led by Police Lt Col Praasan Thanasukan asked for support from the Quartermaster Division. The Explosives Section sent Police Cpt Keyun Chaocharoen, the deputy inspector for explosives, Precinct 3, Quartermaster Division, Police Department. They went into the jungle by foot and used mine detectors to clear the area. Because just 2 days before, Khmer Rouge troops had been present in the area. It was feared that they had planted mines. After the police officials had walked about 10 km into the jungle, the mine detectors began emitting signals. The jungle there was not too dense. The trunks of large trees that had been felled long ago were lying about, and some showed signs of having been cut up for lumber. The police searched the area for 3 hours. They found fertilizer bags and gunny sacks hidden beneath the logs. Inside these they found 4 AK rifles,

1,000 rounds of AK ammunition, 8 magazines, and 28 grenades of the M-46 type (made in Red China). These were taken to the Suppression Division for examination in order to determine whether they belonged to the Khmer Rouge or to traffickers.

At 1400 hours on 2 July, acting on orders from the commander of the Suppression Division, Police Col Phat Duangrit, the deputy commander of the Suppression Division, announced this news to reporters. In conducting this operation, our officials did not know the exact location of the weapons. They could not use vehicles to get to the area and had to walk. Khmer Rouge soldiers had been in the area shortly before and so it was feared that mines had been planted. The seizure of these weapons followed the seizure of weapons and the arrest of suspects on 6 April 1986. In that case, each of the suspects was sentenced to 10 years in prison.

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CSO: 4207/291

## SRV, LAOS COOPERATE IN SALT PRODUCTION

OW030835 Hanoi VNA in English 0724 GMT 3 Aug 86

[Text] Hanoi, 3 Aug (VNA)--The production of fossil salt has made headway in Laos with Vietnamese assistance.

Laos is a land-locked country. In the past when fossil salt had not been found the Lao people had to depend on imported marine salt.

Survey and exploitation of fossil salt have been stepped up right after liberation. Over recent years, besides the old salt mines in Bo and Con hamlets, with the assistance of the Vietnamese geologists, Laos has found several new salt mines. They are the Na Toi mine in Savannakhet Province with a reserve estimated at billions of tons and the Boten mine in Louang Namtha Province with tens of millions of tons of deposit.

The Khoocxaat mine in Thoulakhom District, Vientiane Province, is the biggest operative salt mine in Laos. Its largest seam is 40 meters thick and spreads over 30 hectares. At the present rate of extraction, it would take from 100 to 200 years to exhaust this mine.

Exploitation started in 1977 and in 1982, Vietnam sent cadres to help produce salt by drying method, increasing markedly productivity.

In 1985, the mine yielded 5,200 tons of salt or one-fifth of the total salt production of the country. This year, the enterprise plans to produce 6,200 tons.

Also at Khoocxaat salt mine, a caustic soda and calcium chloride factory has also been set up with the assistance of Ho Chi Minh City.

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CSO: 4200/1286

## VNA ON NICARAGUAN DELEGATION'S VISIT TO LAOS

OW030829 Hanoi VNA in English 0712 GMT 3 Aug 86

[Text] Hanoi, 3 Aug (VNA)--A delegation of the Sandinista National Liberation Front (FSLN) and the Nicaraguan Government led by Henry Ruiz, member of the FSLN national leadership, on 1 August concluded a 2-day official visit to Laos.

While in Laos, the Nicaraguan guests were received by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers.

Talks were held between the Nicaraguan delegation led by Henry Ruiz and a Lao party and government delegation led by Phoumi Vongvichit, Politburo member of the party Central Committee and vice chairman of the Council of Ministers.

The two sides discussed measures to further promote the bilateral friendly and cooperative relations in the coming period.

They expressed their concern over the situation in Southeast Asia and held that the source of the prolonged tension in this region was the hostile policy pursued by the imperialists in collusion with other international reactionaries. The Lao side stressed the importance of the Soviet Union's practical and constructive proposals and Secretary General Mikhail Gorbachev's 28 July statement in Vladivostok as well as of the proposals of other socialist and nonaligned countries, aimed at easing tension, and strengthening peace and security in Asia.

The two sides held that any regional issue must be peacefully solved through dialogue between the two groups of ASEAN and Indochinese countries without outside interference.

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CSO: 4200/1286

## FORESTRY MINISTER HEADS SRV-CONGO AMITY GROUP

OWO41840 Hanoi VNA in English 1550 GMT 4 Aug 86

[Text] Hanoi, 4 Aug (VNA)--The Vietnam-Congo Friendship Association made its first public appearance in Hanoi today with Phan Xuan Dot, member of the Communist Party of Vietnam Central Committee and minister of forestry, as president.

Present on this occasion among others was Angri Ebundi, head of the visiting delegation of the Congo-Vietnam Friendship Association.

In his opening speech, Trinh Ngoc Thai, deputy head of the international department of the CPV Central Committee and general secretary of the Vietnam Committee for Solidarity and Friendship With Other Peoples, pointed out that closely binding by the common struggle against imperialism for national independence and construction, the Vietnamese and Congolese people have forged their friendship and made it constantly develop. The establishment of the Vietnam-Congo Friendship Association has met the earnest aspiration of the two peoples, marking a new development of their close solidarity and multi-sided cooperation.

President of the association Phan Xuan Dot, in his address, recalled the process of the development of the Vietnamese and Congolese peoples' traditional friendship and highlighted the achievements recorded by the Congolese people under the leadership of the Congolese Party of Labour and the Congolese Government in national construction and defence. He reaffirmed that the Vietnam-Congo Friendship Association, together with the entire Vietnamese people, will do its best to promote the friendship, cooperation between Vietnam and Congo in the interests of the two peoples.

For his part, the head of the Congolese delegation expressed the fine feeling of the Congolese people toward the Vietnamese people. The Congolese people, he stressed, have always sided with the Vietnamese people in their just struggle. He said that the friendship associations of Congo and Vietnam would perform well their noble missions.

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CSO: 4200/1286

## BRIEFS

NEW ENVOY TO CAPE VERDE--Hanoi, 1 Aug (VNA)--"Although geographically far apart, Cape Verde and Vietnam have long been bound by a friendship, militant solidarity and mutual support, especially through their struggle for national liberation," remarked President Aristides Pereira of the Republic of Cape Verde while receiving Vietnamese Ambassador Nguyen Huy Loi who presented his credentials in Praia capital recently. President Aristides Pereira expressed the deep admiration of the Cape Verde party, government and people for the great efforts and glorious victories made by the Vietnamese party and people in the anti-U.S. war of resistance in the past as well as in national construction and defence at present. These achievements, he noted, have energetically encouraged the struggle of peoples all over the world in general, and in Cape Verde in particular, for national independence and social progress. He said he believed that the friendship and cooperation between Cape Verde and Vietnam would be constantly consolidated and developed. [Text] [Hanoi VNA in English 0714 GMT 1 Aug 86] /9604

GIFT TO SOVIET AMITY GROUP--Hanoi, 1 Aug (VNA)--The Union of Soviet Societies of Friendship and Cultural Relations with Foreign Countries and the Soviet-Vietnamese Friendship Society jointly organized a ceremony in Moscow on 31 July to receive 10 tons of tea sent by the Vietnam-USSR Friendship Association as a gift to the people in the Chernobyl area. Speaking on the occasion, Vietnamese Ambassador Dinh Nho Lien said that this small gift showed the Vietnamese people's fraternal sentiment and sympathy with the Soviet people in overcoming the aftermath of the Chernobyl incident. He also voiced full support for the Soviet stand as presented by Soviet Party General Secretary M. Gorbachev in his 20 July speech, which was aimed at preserving peace, security and cooperation in Asia and the Pacific. He expressed his gratitude for M. Gorbachev's high appreciation of the Vietnamese people's struggle against imperialism and for socialism in this region. [Text] [Hanoi VNA in English 0707 GMT 1 Aug 86] /9604

CPV GREETES BULGARIAN COMMUNISTS--Hanoi, 1 Aug (VNA)--The Central Committee of the Communist Party of Vietnam (CPV) today sent warmest greetings to its Bulgarian counterpart on the 95th anniversary of the Bulgarian Social Democratic Party of the Bulgarian Communist Party (BCP) at present. [sentence as received] The message says that the Communist Party and people of Vietnam are highly elated at the great achievements recorded by the Bulgarian people during the past 95 years, particularly (?since) the BCP Central Committee's historic congress in April 1952. "We are confident



that by successfully carrying out the important regulations of the BCP's 13th Congress, the fraternal Bulgarian people will (?surely) attain [words indistinct] in the building of a developed socialist society in Bulgaria, thereby making a worthy contribution to strengthening the socialist community and the struggle for peace and security throughout the world," it continues. In conclusion, the message expresses the wish for a constant consolidation and development of the fraternal friendship, militant solidarity and comprehensive cooperation between the parties and peoples of Vietnam and Bulgaria on the heads of Marxism-Leninism and socialist internationalism. [Text] [Hanoi VNA in English 1545 GMT 1 Aug 86] /9604

GROUPS MARK BULGARIAN ANNIVERSARY--Hanoi, 2 Aug (VNA)--A talk was arranged here today to mark the 95th anniversary of the Social Democratic Party of Bulgaria (now the Bulgarian Communist Party). The talk, jointly sponsored by the Vietnam Committee for Solidarity and Friendship With Other Peoples and the Vietnam-Bulgaria Friendship Association, was attended by Trinh Ngoc Thai, deputy head of the international department of the Communist Party of Vietnam Central Committee and general secretary of the host committee; Ms Luu Thi Phuong Mai, vice president of the host association, and Bulgarian Ambassador to Vietnam Georgi Todorov Vasev. Speaking on this occasion, Ambassador G.T. Vasev brought out considerable achievements recorded by the Bulgarian people under the leadership of the Bulgarian Communist Party over the past decades and Bulgaria's close cooperation with the Soviet Union and other socialist countries. He expressed the hope that the time-honored friendship and solidarity between the parties and peoples of Vietnam and Bulgaria would further consolidate and develop. [Text] [Hanoi VNA in English 1514 GMT 2 Aug 86] /9604

GREETINGS TO JAMAICA--Hanoi, 5 Aug (VNA)--Chairman of the Council of Ministers Pham Van Dong today sent his warm greetings to Jamaican Prime Minister Edward Seaga on his country's 24th independence day (6 August). The message wishes for further development of the friendship between the two peoples. On this occasion, Foreign Minister Nguyen Co Thach has sent his greetings to his Jamaican counterpart, Hugh Shearer. [Text] [Hanoi VNA in English 1522 GMT 5 Aug 86] /9604

SHIPBUILDING AID FOR LAOS--Hanoi, 4 Aug (VNA)--A 220-seat passenger ship, the second of its kind built with Vietnamese assistance, has been launched in the Vientiane shipyard, Laos. The ship named "Mekong 2" is 41 meters long and 6.2 meters wide, and is driven by two 290 hp diesel engines. The ship was completed in 2 and a half months, or a month ahead of schedule, with the help of the Tam Bac shipyard in Haiphong. Earlier on 25 July a cargo ship was also completed with Vietnamese assistance. [Text] [Hanoi VNA in English 0723 GMT 4 Aug 86] /9604

CSO: 4200/1286

## CLOSENESS TO PEOPLE. SUPPORT OF PEOPLE STRESSED

Hanoi DAI DOAN KET in Vietnamese 21 May 86 p 5

[Article by Tran Dinh Van: "Having the People is Having Everything"]

[Text] Early in 1964 a leader of a southern province came to the North and talked to a number of cadres at the central level. About the strategic hamlets, he talked about the strong and ruthless enemy repression machinery in some areas that had succeeded in separating our cadres from the people and preventing our cadres from establishing connection with the bases inside the strategic hamlets. Working during the day in the fields where enemy agents had kept strict watch, the people and cadres were unable to get in touch with one another. He himself had spent days hiding in the thick leaves of dua nuoc (*Nipa fruticans*) while being very tense and lonely and afraid of being caught by the enemy at any time. As many other people who had been in the same situation pointed out, no suffering was greater than losing the people, being the people's orphans, feeling lonely among the enemy as a child losing his mother's milk, and having nobody around who would supply food, give direction, provide shelter for avoiding the enemy, and give information and reports on the enemy's situation.

In the years of the resistance against the French, we usually said we were "as fish in the water" to show the close relationships between the army and the people, between cadres and the masses; in the years of the resistance against America, at the height of the fierce war, every party member and cadre realized after he had temporarily lost the people how deep was the people's love and how much he was lacking--lacking the love of the mother as felt by an orphan.

For more than 10 years now, as the country has become reunified and the power now belongs to us, after the enemy's repression machinery had been eliminated, a gap has gradually appeared in the relationships between the people and cadres and party members, with many cadres no longer wanting to be close to the people, even looking down on them, oppressing them, and forcing them to become subservient and to bribe before doing any work for them. The people compare these cadres with the notables and mandarins of the olden days.

As we discuss the qualities of cadres and party members, we find that being close to the people and wholeheartedly serving them is the top criterion.

President Ho had constantly urged cadres and party members to be the true servants of the people, as he himself remained their loyal servant. He was very sensitive to the special privileges, large or small, that the central sectors and localities had given him. In 1960, in a trip to Son La, before his party reached the capital of the province, he told them to stop under a roadside tree to eat the rice and bread that they had brought along so as to avoid the trouble of having the provincial officials entertain the entire party. In those years when he was still healthy, on his birthdays he usually went to a secluded location to avoid the crowds having to come to wish him longevity. Before visiting a cooperative, he usually discussed the matter with his bodyguards and advised them to keep it secret so as to avoid the trouble for the locality concerned having to welcome him and even to leave village cadres with too little time to make any arrangement for his reception. He preferred to meet with the people in a more natural manner and thus to talk with them more comfortably.

As he visited a work site, factory, collective zone, etc., President Ho usually avoided the places that had been designated for his reception and instead went to see kitchens, toilets. A cadre who had worked for many years near President Ho had a very keen observation: He always attached more importance to quality than health and, if he had to choose one or the other, would choose the former even though the latter might be affected. Toilets were where all sorts of microbes existed, but he still wanted to see them for himself in order to get to know all facets of the living conditions of the people, cadres, and workers.

In recent years special privileges and special interests were being developed in so many forms ranging from meticulous and secret to open and legal ones, with beneficiaries in some cases enjoying them openly as some sort of standard conduct. Special privileges and special interests were about material things, discipline, the law, promotion, awarding of bonuses, and so on. People having power, positions, and money got together and helped one another. The cadres who were permitted to buy high-level consumer goods at almost-free prices did not seem to be deprived of anything, for each and every one of them made several trips abroad, did not work so hard and yet had much greater income than those white- and blue-collar workers, who were working as hard as they could to build the country.

Although the number of cadres who enjoyed special privileges and interests was not very large, they have already damaged the prestige of the party and created indignation among the people and cadres.

At the 27th CPSU Congress, Boris N. Yeltsin, alternate member of the Political Bureau, made a speech, which contained the following passage:

"We feel painful when we hear about the dangers created by the injustices of today or in the past. But it is particularly painful when we must hear people talk frankly about the special properties that belong to leaders. If party members and leaders lose such necessary qualities as fairness, simplicity of the party, and utmost sacrifice, this loss is, as Lenin put it, 'the destruction of the democratic nature and the source of division within the party and lowering of the prestige of communists.'

"We cannot tolerate such a happening. That is why my opinion is that if the properties of all leaders at any levels cannot be positively identified, they must be rejected. This will certainly lead to the growth of everybody's hard working and social character, and nothing will be left for our ideological enemy to take advantage of. For us, the standard of social justice must always be the foremost interests of the worker class."

In our country today the same thing exists--special privileges and interests usually go hand in hand with social injustice, and very many people who work hard and with good intention, use their brain, and sweat in order to make products for society have very little enjoyment and find themselves permanently in a "worrying about dinner at breakfast time" situation. When the new currency was exchanged in Minh Hai, 25,000 families there did not have any money to exchange because they were too poor. Minh Hai has been known for being the rice granary and a shrimp mine--every year its rice was supplied to other localities and Minh Hai shrimp brought tens of millions of dollars to the state each year. In Cuu Long, Tien Giang, Ben Tre, and so on, quite a few families had no money left to exchange for the new currency lately. Farmers grow rice and hogs, which they usually sell to the state at official prices, but when they buy consumer goods, prices are not officially fixed and can be increased freely. As we went to many villages, in both the North and the South, we found that large houses were occupied by a number of village leading cadres who, as cooperative members put it, "worked very little, were mainly busy eating and drinking, and carried their pocketbooks around, but [they] could always obtain bricks, tiles, and cement." The materials and goods that were sent to the people were partially taken away as they arrived at the province, were taken away some more at districts and then villages by officials, and did not amount to anything much by the time they came to cooperative members, sometimes only as unsaleable items. They even "ate" phosphate fertilizer and insecticide.

Whether they lose or still have the people, i.e., whether they still have the love and trust of the people, is something they do not bother to find out, for they only want to satisfy their limitless greed. The fact that so many disgraceful practices are becoming common makes everybody seriously worry and be aware of this happening: A new class is taking shape and class division will not fail to occur if those people who work less but enjoy more and those who live at the expense of other people continue to live an easy life on the sweat and energy of millions of working people.

The people's committees at all levels everywhere, from the North to the South, have recently altered the signs that bear their names on entrance doors: On top of the words, "People's Committee," we now read, in larger and more serious looking words, "People's Council of ... Municipality, Province, District, or Village." At the entrance of the Hanoi People's Committee office last year the sign was altered at the cost of hundreds of thousands of dong to replace the words, "People's Committee of Hanoi Municipality," with these words, carefully made in relief, "People's Council of Hanoi Municipality," and with, below them and in smaller size, "People's Committee."

This is a matter of form but it is a commendable one because it makes everybody who enters an administration organ fully understand that the organ



that holds the highest power in a locality is the people's council. This is also a way to teach everybody to respect elected organizations and the people's voice.

As we had bureaucratic centralism for decades, we have been so used to waiting for orders from our superiors and have been underestimating the extremely important role of elected organizations at all levels, from central to village level. Quite a few cadres in positions of power consider elected organizations a sort of "flowers and leaves" used as decoration to make activities look democratic from the outside. However, in reality, the plans and norms set forth by the administration are to be approved in a passive manner, and if critical ideas are sought, they generally are quite vague. The people's ideas and aspirations are seldom fully and truthfully reflected. As I went to a province, I asked a member of its people's council why it had allowed the sector chiefs to continue committing wrongdoings, which the people had vehemently complained about, and whether the council was powerless. He pointed out in his reply that the provincial CPV committee always discussed things only among its members and asked people to wait when they sought its decision, and that anybody who wanted to bring a problem to the people's council would be reluctant to do so because they did not want to be criticized as unprincipled and willing to "voluntarily admit one's own weaknesses." The wrongdoings that the people were complaining about involved a couple of standing committee members; therefore, nobody would want to bring the matter to the people's council.

In another locality, the people in a number of industrial crop-growing areas specialized in supplying products for export complained that they could not make a decent living because purchase prices were too low, the goods that were given to them in exchange for their products both came late and did not suit their taste, and the organs that came to pick up their products acted in an authoritarian manner and sometimes did not even show up at the appointment time, which created even more losses for farmers because of their wasted time; as a result, many of them have switched to another line of business and no longer produced goods for export. I asked a people's councilman why committee reports did not mention such negative aspects, which both caused losses for the state and created difficulties for the people. He answered:

"The gentlemen of the committee have said that there are measures they are taking to overcome the difficulties and that it is unwise to mention them openly because the bad elements can take advantage of them and slander our system. The truth is, just as the people and cadres have said correctly, a few people have used the imported goods in an unlawful manner and do not want anybody to mention it."

It is obvious that in the last several years elected organizations here and there, at central and local level, have operated just for the sake of form, with meetings being held only twice a year and some cadres in positions of power wanting to operate them that way so that they could continue to act in an authoritarian manner as absolute rulers giving themselves the right to criticize others and not to be touched by anyone else. This is one of the main reasons behind the fact that these negative aspects still continue to exist and get worse, for although the people know very well the names of those

individuals being involved in negative acts, the legal forum--elected organizations at all levels--where the people's representatives can speak the truth is controlled and it is therefore difficult for them to fully express their opinions and aspirations.

As a preparation for the Sixth Party Congress, the period of criticisms and self-criticisms that is going on has brought about some initial results at the basic level.

Offering their opinions to the party committee echelons who are conducting criticisms and self-criticisms, the people and cadres do hope that the party and state organs and key cadres and party members try to be close to the people and to listen to their opinions. Many people have pointed out that "the people and cadres know many negative acts right at the time they have just started, but the superior echelons have refused to listen and even have accused the persons who spoke the truth of slandering cadres and party members." Now and in the past, during the time of war or of peaceful construction, failing to rely on the people has always led to defeat. The bad people who are protected always cause more and more damage and never leave the people who have unmasked them alone. The bad people who are in positions of power usually use very shrewd tricks against the people who have denounced them. Quite a few cadres, party members, and people who are righteous, talented, and virtuous find themselves neutralized, put in minor positions, or banished from the staffs and are likely to suffer for a long time, up to their children's generation. The masses and a large number of cadres, workers, and civil servants are greatly disappointed when they find that many cadres and party members whom they like and respect are not utilized in an appropriate manner and thus have their talent wasted, and that some people whom they dislike are utilized in important positions.

Under such pretexts as not to follow the masses, not to be demagogic, and not to expose your own shortcomings to allow the enemy to slander you, many degraded cadres who want to resolve internal problems quietly now turn their back to the people and choose to close their eyes and to cover their ears and to let bad people act freely. We have paid very dear prices and it is time for us to look straight at the very basic mistake, the root of all mistakes: to be far from the people, to underestimate the people, and to underestimate elected organizations, or the highest organs of power at both central and local levels.

In the spirit of respecting the truth and openly talking about any strengths and weaknesses, we must make sure by every means that our elected organizations at any levels fulfill the tasks that voters entrust them with, carry out the functions of the highest organs of power that the Fifth Party Congress clearly points out, and firmly avoid operating as a matter of form. From now on the meetings of National Assembly deputies and people's councils with the people and voters must be realistic and serious political activities in which participants are equal, rather than meetings between superior echelons and subordinates, and should not be as dull as they often appeared.

As we trust the people and truthfully rely on them, we must be open and straightforward, particularly toward the activities of elected organizations



at all levels, which must be widely disseminated, except for anything that must be kept secret. The people and cadres have long hoped that the meetings of elected organizations at all levels, newspapers, and radio stations at the central level and in provinces and municipalities would be fully reported, including details about their discussions and debates, instead of being reported in articles that always are similar to one another, dull, and formalistic.

We believe that with the success of the periods of criticisms and self-criticisms now going on the above hope will come true.

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## READERS SUBMIT PARTY CONGRESS SUGGESTIONS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 6 Jun 86 pp 1, 4

['Contributing Opinions to the Party Congress' column:]

[Text] By Every Means, Greatly Increase the Amount of Social Property

A decisive factor in the existence and development of a society is the amount of material property produced, calculated on a per capita basis, and constantly increasing. Revolutionary struggles in the final analysis are to liberate the production forces and to create greater social labor productivity. A new regime can only prove its superiority if it creates greater labor productivity.

Unfortunately however, during the past countless years, due to conservative policies, a bureaucratic and backward management mechanism, and an ineffective administrative apparatus, production strength has been severely restricted. The laborer has no enthusiasm or peace of mind in production because he lacks confidence in the policies and is fed up because he works much and gains little. It is truly painful to see farmers reducing the amount of rice, hogs, chickens, etc. they are raising. Previously, they diligently withstood the difficulties through rain or shine and gave concern to production, but now they operate leisurely, get by from day to day, and have no interest in production. They say, "If you make 10 and don't receive 5, relaxation is more pleasant and moderate production is enough to live." Who in the world would think that a nation with more than 2,500 kilometers of coastline would have the people occasionally suffering shortages of salt and having to purchase salt in fixed amounts with food ration stamps! Because the policy dealing with salt producers is irrational, they have abandoned their trade.

Moreover, a number of leaders still have a viewpoint of "fearing wealthy people." When they see someone doing a good job (legitimately) who is well off and able to build a house and buy a radio and car, they note and consider them "sinful" because of their "get rich ideology" and consequently, cause them all sorts of difficulties. Everyone has a production ideology of moderation and enough to live through the day.

Where will a society, in which the laborers no longer have production enthusiasm, go?

As the population steadily increases and production does not, it is obvious that living standards will gradually decline.

The people fervently hope that the party and state have clear and specific policies for creating every condition to stimulate production. The producer must be caused to enthusiastically work day and night and the laborer to ardently produce goods. To achieve this, a decisive factor is the need for laborers to clearly recognize their own interests. The true interests of the producer must be ensured. In production without true benefits to himself, no one will have sufficient "socialist spirit" to produce constantly.

There are presently many collective production organizations but regretfully, a number have not created greater labor productivity. Thus, what is the objective of production collectivization? Production collectivization can only have a reason for existing if it creates labor productivity that is greater than the individual laborer. Any form of production with greater labor productivity is a better form. The primary issue is labor productivity. The cases of beginning collective labor with mutual dependence, no one responsible, everybody's business is nobody's business, low and poor productivity, cumbersome red tape procedures, incessant meetings, etc. must be promptly resolved.

Ba Hung  
Subward 4, 1st Precinct

#### Resistance to Internal Negativism Must Originate from the Source

There are negative occurrences here and there, daily eroding the confidence of the masses in the party and state. The laboring people are asking: Why is the party calling for life and work in accordance with the law when there are cadres and party members openly embezzling public funds and exploiting public property without being disciplined and continuing to be promoted in position and salary while still being known for their "ability to make a living?" Why does the state constantly appeal in the newspapers and on the radio for us to conserve in order to build socialism and that conservation is a national policy when many cadres are giving no attention to this major position. Ultimately, the laboring masses, the real salary-earning workers and civil servants, are experiencing increasingly greater hardship. This situation demands immediate resolution by the party. The first thing to partially improve the lives of the people, in my opinion, is to resolutely and thoroughly resist the spreading negativism within the party. Specifically, we must:

1. Legally prosecute the serious incidents adversely affecting the prestige of the party and the lives of the people. We must consider them as economic crimes. And we must bring all criminals to the witness stand in a equal and common manner. I remember that during the past, we have conducted this aspect too slowly. On the other hand, openness before widespread public opinion is also lacking. Frequently, the people only know about negativism in agency X, enterprise Y, etc. through rumor. Naturally, it has been exaggerated slightly. Why didn't we immediately and straightforwardly tell the masses about the fire at Refrigeration Plant 6 in December 1985? Internal negativism, which has always been serious, was further blackened. Some people think that because they have "borne responsibility" for establishing the system, they should not have

to boldly speak the truth. Prompt admission before the public of internal negative occurrences must be conducted. We must study the experience of the Soviet Union in the recent accident at the Chernobyl Plant to see the importance of open admission.

2. We must not wait for negativism to occur before eliminating and blocking it right from the source. This means we must pinch out the first sprouts and buds. This is the primary step in resisting negativism at the present time. To achieve this, is it necessary to seek out the causes? Why has it occurred? Due to subjective or objective reasons? We know that the bureaucratic management and state subsidization mechanism created many loopholes giving birth to negativism. If we know it, why don't we immediately eliminate it?

Screening out from the current ranks of cadres, workers and civil servants those who are even slightly related to negativism is a necessity to be carried out immediately and systematically from top to bottom. A socialist nation is superior to one that is capitalist in that it dares to struggle against and eliminate every negative aspect under any form because the state is of the people, for the people and because of the people. By properly accomplishing this, we will dispel some of the adverse thinking about our country.

We must streamline and strengthen the control and supervision system of the masses regarding the state. It is necessary to truly create conditions for collective ownership by the people. We see that in the mechanism of the party leading, the state managing and the people in control, the final segment is the weakest. Once we only appeal for high development of the collective ownership spirit of the laboring people and closely connect slogans for this or that project with the fine statement that truly within the people there can only be collective ownership when working, while in contributing opinions, struggling and discussing plans, we are "ineffective," we have ourselves gone contrary to the genuine interests of the broad masses and denied their historic role. Thus, our future course must be to correct the following shortcomings:

a. Restore full powers and functions to people's council delegates. Legal documents have stipulated that the people's council is the representative of the people and the highest agency of state power in the local area but unfortunately, we have not yet created full conditions for the people's council to develop its responsibility. Many state agencies still have an improper attitude concerning the people's council. In a number of locations there recently occurred situations in which the people's council delegates only appeared when elected, sometimes only for form's sake, and finally when summarizing their term of office.

At the subward, village, precinct and district levels, the people's council delegates in my opinion are authorized to inspect every administrative and economic management task. Naturally, there is overall supervision--if the local administration wishes to construct some project or carry out an economic policy, there must surely be discussions and decisions from the people's council at that level. Avoid a situation of placing the people's council before work already accomplished, forcing them to raise their hands in approval of the resolution.

b. Promote work by the people's control unit aimed at effectively blocking from the beginning the plans of degenerate and deviant cadres to misappropriate socialist property. The steering committees of factories and enterprises are responsible for submitting monthly public reports to the people concerning plan achievement, expenditures for welfare funds, awards, etc.

c. Improve the work of the State Inspection Commission at all echelons. We must mention that during the past, the activities of the inspection apparatus have still been fairly bureaucratic and have still not answered to the proper degree the complaints of the people. I think that every complaint presented should be properly examined, not falling into a situation of skimming over and for form's sake. There are things that are initially insignificant but if not immediately handled could result in immeasurable consequences. Many people wonder why we are still so slow in resolving the complaints of the citizens. This is a question that must be answered quickly. All echelons of the State Inspection Commission should coordinate with the people's councils in establishing legmen to maintain close contact with each nook and cranny of the agencies and enterprises.

Certainly the cadres engaged in inspection work must be truly pure and skilled in their profession.

--Immediately eliminate the market dealing in various types of strategic and rare materials of which the state has forbidden individual trading. They are gasoline, oil, fertilizer, insecticide, grain, etc. Those who intentionally violate state policies and positions must be forced to engage in concentration labor and possibly forbidden from returning to the city for a period of at least 3 years. Organize efforts to thoroughly and permanently eliminate the smugglers and speculators. Establish coordination between the public security forces, market management, the navy, etc. There is no difficulty now at all in pointing out the focal points of illegal trading. The problem is in our movement. When those trading in illegal materials are swept out, the task of resisting internal negativism will be easier.

---Truly firmly manage the various types of strategic materials and grain. Control and inspection must be conducted from the receiving to the distribution steps. Stipulate specific responsibilities for each individual. Anyone allowing losses or damage to occur must be prosecuted in accordance with the law. Anyone properly completing his mission must be rewarded. Award levels must be realistic with a stimulating effect.

As Comrade M. X. Gorbachev said: time has constantly supported us. The negative occurrences at the present time distress everyone. However, we believe that the party will resolutely eliminate the bad and filthy things in a number of locations and a number of cadres and party members. The author of this article wishes to contribute his small part to this work which is also aimed at an objective of seeing our party become increasingly stronger.

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7308  
DPT: 4209/772



## INSURANCE PREMIUMS IN FOREIGN CURRENCY ENCOURAGED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 6 Jun 86 pp 1, 4

[Article by Q.V.: "Expanding Use of Foreign Currency for Insurance in Export-Import Business Activities"]

[Text] Implementing Directive 255 of the Council of Ministers and Directive 2535 of the Municipal Party Committee on insuring export-import goods, the Ho Chi Minh City Branch Insurance Office (of the Vietnam Insurance Corporation-Vietnam Insurance) is broadly motivating and advising export and import business units to insure their export-import goods with foreign currency.

Previously, many export-import business units insured with Vietnamese currency. This way is only a form in which, if losses occur, there is no foreign currency to compensate for the lost goods or to purchase other goods. Losses in business that cannot be correspondingly compensated harm the business unit. On the other hand, insuring with Vietnamese currency does not help the insuring unit to offset the foreign currency for reinsuring in export-import activities. Because a number of units have not yet recognized the interests of the state in domestic insurance, they have not actively tried to have their insuring done by Vietnam Insurance with the purpose of saving foreign exchange expenditures in import and export goods.

There are to this time 27 centrally and locally operated export-import business units regularly paying their insurance premiums with foreign currency. During 1985 alone, foreign currency insurance premiums amounted to 325,910 dollars. A number of units actively engaged in this procedure may be related such as: CONERALIMEX, SHIPCHANCO, RUBEXIM, NAFORIMEX, ARTEXPORT, etc. The Ho Chi Minh City Branch Insurance Office has compensated for 402 cases of lost import goods, and a number of instances of lost export goods, and has served as an agent for foreign insurance companies in 57 cases.

At a customer conference on 4 June 1986, held at the Ho Chi Minh City Branch Insurance Office, representatives of many export-import business units praised the insurance of export and export goods with foreign currency. A number of units unable to pay in foreign currency have proposed that the state institute insurance policies consistent with the operating characteristics of these units.



## VNA ON INTEGRATING FOREST, SEA-BASED ECONOMIES

OW040809 Hanoi VNA in English 0708 GMT 4 Aug 86

[Text] Hanoi, 4 Aug (VNA)--Integrated sea and forest economy is developing in Vietnam where these two elements are found in almost all localities, especially in coastal provinces of central Vietnam.

Travelling along the seaside in many provinces, we found that besides big and medium-sized fishing boats and trawlers, a large number of rafts with sails were used in fishing. They are 32.8 feet long, made of bamboo--a locally available material--by one or two workers in only one day and can be used for a year at a very low cost.

Fishermen sold their products to highland areas with large bamboo forest to get bamboo trees in return for making fishing rafts. The rafts are put in the charge of groups of fishermen who brought about big incomes, thus contributing to enlarging production. Refrigerating houses imported from Japan are installed right on the seashore, especially at rivermouths, in service of production.

In Thanh Hoa Province, south of Hanoi, we saw millions of big bamboo trees, the tallest of them over 30 feet high, and 78-117 inches in diameter. They grow up in a few years, giving each year dozens of shoots half of which are cut off for the rest to grow up fully. Bamboo shoots are a very good food appreciated by customers in many countries. Thanh Hoa is the first province in Vietnam to have signed contracts with foreign countries to export thousands of tons of fresh bamboo shoots.

Maize, another subsidiary food crop, is successfully grown on hilly land. Thanh Hoa, formerly a poor province, has a dense population (2.7 million). However, by developing the cultivation of food and export crops, it has increased its annual food output by 10 percent on the average, since 1981, the province's food production per capita has exceeded 300 kilos, considerably helping increase live stock breeding. Its food procurement to the state has trebled compared with the previous years, not counting the amount of food it provided to public employees working in the locality.

Trinh Ngoc Chu, deputy secretary of the provincial party committee, told us that the province planned to develop its commodity economy by making full use of agricultural land, practicing intensive farming and crop rotation, reclaiming hilly land, rearranging the workforce, creating favorable conditions for farmers engaged in crop and cattle farming to develop food production, especially farm products for export.

He said the province also planned to develop local industry in service of agriculture, as well as processing industry. Farm tools and farming machines were made by the local industry, such as rice threshing and husking machines, motor pumps and equipment for fishing boats and trawlers.

Adequate attention has also been paid to family economy, especially in the growing of cinnamon, a well-known pharmaceutical herb grown in mountain areas.

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CSO: 4200/1286

## SPRING RICE YIELDS AROUND HANOI REPORTED LOWER THAN 1985

Hanoi HANOI MOI in Vietnamese 14 Jun 86 P 1

[Article: "As of 13 June, 30,000 Hectares of Fifth-month, Spring Rice Harvested City-wide"]

[Text] Since the beginning of June, energy has been concentrated in the suburbs on harvesting fifth-month and spring rice and preparing to work the tenth-month crop. According to still incomplete statistics, 30,000 hectares of fifth-month and spring rice, about 50 percent of the crop area, had been harvested city-wide as of 13 June. The harvest is nearly finished in some districts where the crop ripened early, such as Ba Vi, where 5,600 hectares, nearly 85 percent of the area, have been harvested, and Son Tay City, where 1,300 hectares, or 85 percent of the area, have been harvested. Thach That, Me Linh, Soc Son, and Dong Anh Districts each harvested 2,200 to 3,100 hectares of fifth-month and spring rice. The latest harvests are in Thanh Tri District, where only 373 hectares, 15 percent of the area, have been completed, and Tu Liem District, where 470 hectares, 21 percent of the area, have been harvested. It is estimated that districts will have to finish harvesting between now and the end of June in order to start working the tenth-month crop.

Due to bad weather, pests, and crop disease, yields are generally lower than those of the fifth-month and spring rice crop of 1985. In key rice-growing areas, average per-hectare yields have been 39 to 52 quintals. Specifically, Hoai Duc achieved 40-45 quintals per hectare; Phuc Tho achieved 43 quintals per hectare (with Phung Thuong Cooperative achieving 48). Dan Phuong District achieved the highest yields of all: 52 quintals per hectare. The district with the lowest yields was Soc Son, where only 16.5 quintals were achieved per hectare.

In parallel with the fifth-month harvest, most of the districts have begun plowing and tilling seedling beds in preparation for the tenth-month crop. Hundreds of tons of seed paddy have been sown on time. In many places, such as Ba Vi, Son Tay, and Dong Anh, 50 to 65 percent of the seedling area has been sown. In some places, seedlings have been attacked by rice armyworms and white leafhoppers. District crop seed protection enterprises and vegetation protection units are readying materials and equipment to apply pesticides for the tenth-month crop.

Districts must finish planting seedlings between now and the end of June in order to complete transplanting the tenth-month crop in July.

## FIR TREES HELP BOOST COASTAL ECONOMY, ECOLOGY

OW060813 Hanoi VNA in English 0715 GMT 6 Aug 86

[Text] Hanoi, 6 Aug (VNA)--Growing fir trees to prevent sand encroachment has proved to be very beneficial on both the economic and ecological planes. Vietnam has 462,700 hectares of sandy coastal land located chiefly in the provinces of Binh Tri Thien, Quang Nam-Danang, Nghia Binh, and Thuan Hai. In the past, during the southwest monsoon from April to August and the northeast monsoon from October to March these regions were subjected to heavy sand encroachment which sometimes buried whole villages and blocked traffic on the north-south railway and motor road.

Building on experiences of the local population, Vietnamese scientists have conducted a number of research projects and come to the conclusion that growing fir trees is the best way to control sand encroachment and protect the environment on the coastal land.

Fir trees, if grown densely, can form solid protective shields along the coast. The trees also retain salt vapours carried by the monsoon and reduce the heat carried by the hot wind. The roots of the tree retain humidity for the soil and its dead leaves provide an excellent fertilizer.

The natural shield formed by fir trees has changed the face of Binh Duong village in Quang Nam-Danang Province. Where there was only sand dunes, grassland is extending to increase rapidly the bovine cattle. Fir trees have also been planted along embankments of ponds dividing the land into regular-shaped fields for the planting of rice and other food crops. Binh Duong has increased its rice yield by three-fold and the productivity of sweet potatoes by two and a half times. In addition, cash crops like sesame and groundnut are interplanted with rice for export.

In Trieu Hai District, Binh Tri Thien Province, the acreage of cropland has increased four-fold in the past 5 years thanks to the newly planted forests of fir trees.

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## BRIEFS

FLOOD CONTROL IN NORTH--There have been very heavy rains over the past 2 days in the delta and midland regions of Bac Bo, with the rain concentrating primarily in Ha Bac and Ha Son Binh Provinces and Hanoi on the night of 18 and 19 June, causing floods in some areas of fifth-month and spring rice and tenth-month rice seedlings. According to preliminary local-area reports, 18,500 hectares of fifth-month and spring rice and 1,500 hectares of tenth-month rice seedlings have been flooded, mainly in Ha Bac, Hai Hung, Ha Son Binh, and Ha Nam Ninh Provinces. The Ministry of Water Conservancy opened gravity sluices at Nhat Tuu, Luong Co, Diep Son, Van Dinh, and La Khe to drain water from Ha Son Binh and Ha Nam Ninh Provinces and Hanoi and opened the Cau Xe and An Tho sluices to drain floods in central Hai Hung. Localities are also using electricity to pump water from flood areas, while quickly harvesting ripe rice to limit the damage caused by heavy rain. [Excerpt] [Hanoi HANOI MOI in Vietnamese 20 Jun 86 p 1] 9830

NORTHERN PROVINCES FIGHT FLOODS--The Vietnamese people are working hard to combat floods which hit several areas in the northern border provinces. In the northernmost province of Ha Tuyen, about 10,000 hectares of rice and subsidiary crops were lost to floods. The peasants of Ha Tuyen are concentrating on tending 30,000 hectares of rice in high-lying fields to make up for the losses. Meanwhile, efforts are being made in all Red River Delta provinces to strengthen the dike system because the rivers are in spate. The peasants are also draining water from the fields which were submerged following heavy rains in late July. [Text] [Hanoi International Service in English 1000 GMT 3 Aug 86] /9604

PROVINCES OVERCOME FLOOD CONSEQUENCES--Efforts are being made to fight floods and overcome difficulties caused by natural calamity. Top priority in power supply is given to the hardest hit provinces of Ha Bac, Hai Hung, and Ha Nam Ninh. The communications and transport service in the flood-stricken provinces are mobilizing all means available to reinforce dikes. Many ministries namely the ministries of Public Health and Home Trade have sent medicine, mobile teams, and youths and other necessities to the stricken areas. Some 20,000 people in Thai Binh are now engaged in anti-flood work along the Red, the Thai Binh, and the Tra Ly rivers. Every day, about 2,000 people of the province take turns to patrol along the dike system. In Kim Mon, Nam Khanh, and Phu Loc districts, Hai Hung Province, six damaged sluices on dikes have been timely spotted and repaired. Many Vietnamese leaders made inspection tours of this flood-stricken provinces. [Text] [Hanoi International Service in English 1000 GMT 2 Aug 86] /9604



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